

CRS Report for Congress

Homeland Security Department: FY2008 Request for Appropriations

May 17, 2007

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**Prepared for Members and
Committees of Congress**

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The annual consideration of appropriations bills (regular, continuing, and supplemental) by Congress is part of a complex set of budget processes that also encompasses the consideration of budget resolutions, revenue and debt-limit legislation, other spending measures, and reconciliation bills. In addition, the operation of programs and the spending of appropriated funds are subject to constraints established in authorizing statutes. Congressional action on the budget for a fiscal year usually begins following the submission of the President's budget at the beginning of each annual session of Congress. Congressional practices governing the consideration of appropriations and other budgetary measures are rooted in the Constitution, the standing rules of the House and Senate, and statutes, such as the Congressional Budget and Impoundment Control Act of 1974.

This report is a guide to one of the regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House and Senate Appropriations Subcommittees on Homeland Security. It summarizes the status of the bill, its scope, major issues, funding levels, and related congressional activity, and is updated as events warrant. The report lists the key CRS staff relevant to the issues covered and related CRS products.

Homeland Security Department: FY2008 Request for Appropriations

Summary

This report describes the FY2008 appropriations for the Department of Homeland Security (DHS). The Administration requested a net appropriation of \$35.5 billion in net budget authority for FY2008.

The requested net appropriation for major components of the department included the following: \$8,874 million for Customs and Border Protection (CBP); \$4,168 million for Immigration and Customs Enforcement (ICE); \$3,705 million for the Transportation Security Administration (TSA); \$8,506 million for the U.S. Coast Guard; \$1,399 million for the Secret Service; \$1,047 for the National Protection and Programs Directorate (NPP); \$5,042 million for FEMA; \$30 million for US Citizenship and Immigration Services (USCIS); \$799 million for the Science and Technology Directorate (S&T); and \$562 million for the Domestic Nuclear Detection Office (DNDO).

This report will be updated as legislative action occurs.

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Homeland Security Department: FY2008 Appropriations

Most Recent Developments

President's FY2008 Budget Submitted. The President's budget request for DHS for FY2008 was submitted to Congress on February 5, 2007. The Administration requested \$46.4 billion in gross budget authority for FY2008 (including mandatories, fees, and funds). The Administration's request includes gross appropriations of \$43.0 billion, and a net appropriation of \$35.5 billion in budget authority for FY2008, of which \$34.3 billion is discretionary budget authority, and \$1.2 billion is mandatory budget authority. The FY2007 enacted net appropriated budget authority for DHS was \$35.3 billion.

Table 1. Legislative Status of Homeland Security Appropriations

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Confr. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	

Note on Most Recent Data. Data used in this report include data from the President's Budget Documents, the FY2008 *DHS Congressional Budget Justifications*, and the FY2008 *DHS Budget in Brief*. Data used in **Table 19** are taken from the *Analytical Perspectives* volume of the FY2008 President's Budget. These amounts do not correspond to amounts presented in **Tables 4-18**, which are based on data from tables supplied by the Appropriations Subcommittees and from the *FY2008 DHS Congressional Budget Justifications*. Most dollar amounts presented in this report are reported in millions of dollars.

Background

This report describes the President's FY2008 request for funding for DHS programs and activities, as submitted to Congress on February 5, 2007. It compares the enacted FY2007 amounts to the request for FY2008, and tracks legislative action and congressional issues related to the FY2008 DHS appropriations bill with particular attention paid to discretionary funding amounts. The report does not follow specific funding issues related to mandatory funding — such as retirement pay

— nor does the report systematically follow any legislation related to the authorization or amendment of DHS programs.

Department of Homeland Security

The Homeland Security Act of 2002 (P.L. 107-296) transferred the functions, relevant funding, and most of the personnel of 22 agencies and offices to the new Department of Homeland Security created by the act. Appropriations measures for DHS have been organized into five titles: Title I Departmental Management and Operations; Title II Security, Enforcement, and Investigations; Title III Preparedness and Recovery; Title IV Research and Development, Training, Assessments, and Services; and Title V general provisions.

Title I contains appropriations for the Office of Management, the Office of the Secretary, the Office of the Chief Financial Officer, Analysis and Operations (A&O), the Office of the Chief Information Officer (CIO), the Office of the Inspector General (OIG), and the Office of the Federal Coordinator for Gulf Coast Rebuilding.

Title II contains appropriations for Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE), the Transportation Security Administration (TSA), the Coast Guard (USCG), and the Secret Service. The U.S. Visitor and Immigrant Status Indicator Technology (US-VISIT) program was appropriated within Title II through the FY2007 appropriation. The President's FY2008 request for US-VISIT has proposed moving the program to the proposed National Protection & Programs Directorate (NPPD) in Title III.

Through the FY2007 appropriation Title III contained appropriations for the Preparedness Directorate, Infrastructure Protection and Information Security (IPIS) and the Federal Emergency Management Administration (FEMA). The President's FY2008 request includes a proposal to shift a number of programs and offices to eliminate the Preparedness Directorate, create the NPPD, and move several programs to FEMA. Title III in the FY2008 request includes appropriations for NPPD, FEMA, and the Office of Health Affairs (OHA).

Title IV contains appropriations for U.S. Citizenship and Immigration Services (USCIS), the Science and Technology Directorate (S&T), and the Federal Law Enforcement Training Center (FLETC).

302(a) and 302(b) Allocations

The maximum budget authority for annual appropriations (including DHS) is determined through a two-stage congressional budget process. In the first stage, Congress sets overall spending totals in the annual concurrent resolution on the budget. Subsequently, these amounts are allocated among the appropriations committees, usually through the statement of managers for the conference report on the budget resolution. These amounts are known as the 302(a) allocations. They include discretionary totals available to the House and Senate Committees on Appropriations for enactment in annual appropriations bills through the subcommittees responsible for the development of the bills. In the second stage of

the process, the appropriations committees allocate the 302(a) discretionary funds among their subcommittees for each of the appropriations bills. These amounts are known as the 302(b) allocations. These allocations must add up to no more than the 302(a) discretionary allocation and form the basis for enforcing budget discipline, since any bill reported with a total above the ceiling is subject to a point of order. 302(b) allocations may be adjusted during the year as the various appropriations bills progress towards final enactment.

The annual concurrent resolution on the budget sets forth the congressional budget. The concurrent resolution on the budget has not been introduced as of the writing of this report. **Table 2** shows DHS' 302(b) allocations for FY2007 and the current appropriations cycle.

Table 2. FY2007 302(b) Discretionary Allocations for DHS
(budget authority in billions of dollars)

FY2007 Comparable	FY2008 Request Comparable	FY2008 House Allocation	FY2008 Senate Allocation	FY2008 Enacted Comparable
\$31.9	\$35.5			

Source: CRS analysis of the *FY2008 DHS Congressional Budget Justifications*.

Budget Authority, Obligations, and Outlays

Federal government spending involves a multi-step process that begins with the enactment of a budget authority by Congress in an appropriations act. Federal agencies then obligate funds from the enacted budget authority to pay for their activities. Finally, payments are made to liquidate those obligations; the actual payment amounts are reflected in the budget as outlays.

Budget authority is established through appropriations acts or direct spending legislation and determines the amounts that are available for federal agencies to spend. The Antideficiency Act¹ prohibits federal agencies from obligating more funds than the budget authority that was enacted by Congress. Budget authority may be indefinite, however, when Congress enacts language providing “such sums as may be necessary” to complete a project or purpose. Budget authority may be available on a one-year, multi-year, or no-year basis. One-year budget authority is only available for obligation during a specific fiscal year; any unobligated funds at the end of that year are no longer available for spending. Multi-year budget authority specifies a range of time during which funds can be obligated for spending; no-year budget authority is available for obligation for an indefinite period of time.

Obligations are incurred when federal agencies employ personnel, enter into contracts, receive services, and engage in similar transactions in a given fiscal year.

¹ 31 U.S.C. §§1341, 1342, 1344, 1511-1517.

Outlays are the funds that are actually spent during the fiscal year.² Because multi-year and no-year budget authorities may be obligated over a number of years, outlays do not always match the budget authority enacted in a given year. Additionally, budget authority may be obligated in one fiscal year but spent in a future fiscal year, especially with certain contracts.

In sum, budget authority allows federal agencies to incur obligations and authorizes payments, or outlays, to be made from the Treasury. Discretionary agencies and programs, and appropriated entitlement programs, are funded each year in appropriations acts.

Discretionary and Mandatory Spending

Gross budget authority, or the total funds available for spending by a federal agency, may be composed of discretionary and mandatory spending. Of the \$46.4 billion gross budget authority requested for DHS in FY2008, 82% is composed of discretionary spending and 18% is composed of mandatory spending.

Discretionary spending is not mandated by existing law and is thus appropriated yearly by Congress through appropriations acts. The Budget Enforcement Act of 1990³ defines discretionary appropriations as budget authority provided in annual appropriation acts and the outlays derived from that authority, but it excludes appropriations for entitlements. Mandatory spending, also known as direct spending, consists of budget authority and resulting outlays provided in laws other than appropriation acts and is typically not appropriated each year. However, some mandatory entitlement programs must be appropriated each year and are included in the appropriations acts. Within DHS, the Coast Guard retirement pay is an example of appropriated mandatory spending.

Offsetting Collections⁴

Offsetting funds are collected by the federal government, either from government accounts or the public, as part of a business-type transaction such as offsets to outlays or collection of a fee. These funds are not counted as revenue. Instead, they are counted as negative outlays. DHS net discretionary budget authority, or the total funds that are appropriated by Congress each year, is composed of discretionary spending minus any fee or fund collections that offset discretionary spending.

Some collections offset a portion of an agency's discretionary budget authority. Other collections offset an agency's mandatory spending. They are typically

² Appropriations, outlays, and account balances for government treasury accounts can be viewed in the end of year reports published by the U.S. Treasury titled *Combined Statement of Receipts, Outlays, and Balances of the United States Government*. The DHS portion of the report can be accessed at [<http://fms.treas.gov/annualreport/cs2005/c18.pdf>].

³ P.L. 101-508, Title XIII.

⁴ Prepared with assistance from Bill Heniff Jr., Analyst in American National Government.

entitlement programs under which individuals, businesses, or units of government that meet the requirements or qualifications established by law are entitled to receive certain payments if they establish eligibility. The DHS budget features two mandatory entitlement programs: the Secret Service and the Coast Guard retired pay accounts (pensions). Some entitlements are funded by permanent appropriations, others by annual appropriations. The Secret Service retirement pay is a permanent appropriation and as such is not annually appropriated, whereas the Coast Guard retirement pay is annually appropriated. In addition to these entitlements, the DHS budget contains offsetting Trust and Public Enterprise Funds. These funds are not appropriated by Congress they are available for obligation and included in the President's budget to calculate the gross budget authority.

Table 3 tabulates all of the offsets within the DHS budget as enacted for FY2007 and in the FY2008 request.

Table 3. FY2008 Request: Moving From Gross Budget Authority to Net Appropriation — Fee Accounts, Offsetting Fees, and Trust and Public Enterprise Accounts
(budget authority in millions)

Account/Agency	Account Name	FY2007 Enacted	FY2008 Request
DHS gross budget authority^a (gross discretionary + fees+ mandatory + funds)		44,946	46,448
Account level discretionary offset			
ICE	Federal Protective Service	516	613
TSA	Aviation security fees	2,303	2,613
	TWIC	10	27
	Hazmat	16	19
	Registered Traveler	3	35
FEMA/EPR	National flood insurance fund	129	145
CBP	Small airports	7	7
Subtotal account level discretionary offsets		2,984	3,459
Agency level discretionary offset			
CBP	Immigration inspection	512	535
	Immigration enforcement	3	3
	Land border	29	30
	COBRA	367	392
	APHIS	273	300
	Puerto Rico	111	117
ICE	Immigration inspection	108	114
	SEVIS	54	56
	Breached bond detention fund	90	64

Account/Agency	Account Name	FY2007 Enacted	FY2008 Request
TSA	Aviation security capital fund	250	0
	Alien flight school background checks	2	2
USCIS	Immigration examination fee	1,760	2,495
	H1b, and H1b & L fees	44	44
Subtotal agency level discretionary offsets		3,603	4,152
Mandatory budget authority			
Secret service	Secret service retired pay ^b	200	210
Coast guard	Coast guard retired pay ^c	(1,063)	(1,185)
Subtotal mandatory budget authority		200	210
Trust funds and public enterprise funds			
CBP	Customs unclaimed goods	6	6
FEMA	National Flood Insurance Fund ^d	2,631	2,833
Coast Guard	Boat safety	117	122
	Oil spill recovery	127	147
	Miscellaneous revolving fund	—	—
Subtotal trust and public enterprise funds		2,881	3,108
DHS gross budget authority ^a		44,946	46,448
Total offsets		-9,712	-10,929
DHS net appropriated BA (Mandatory + Discretionary)		35,311	35,519

Source: CRS analysis of the FY2008 President's Budget, and the DHS *Budget in Brief*.

Notes: Totals may not add due to rounding.

- DHS gross budget authority is the total budget authority available to the Department in a given fiscal year. This amount includes both appropriated and non-appropriated funding.
- Secret Service Retired Pay is permanently and indefinitely authorized, and as such is not annually appropriated. Therefore it is offset in **Table 3**.
- In contrast to Secret Service Retired Pay, Coast Guard Retired pay must be annually appropriated, and therefore is not offset in **Table 3**.
- This fund is comprised of both discretionary and mandatory appropriations; thus its component parts appear twice in this table.

Appropriations for the Department of Homeland Security

DHS Appropriations Trends

Table 4 presents DHS Appropriations, as enacted, for FY2003 through the FY2008 request. The appropriation amounts are presented in current dollars and are not adjusted. The amounts shown in **Table 4** represent enacted amounts at the time

of the start of the next fiscal year's appropriation cycle. Thus, the amount shown for FY2003 is the enacted amount shown in the House Committee report attached to the FY2004 DHS Appropriations bill. As there is as yet no bill for the FY2008 DHS Appropriation, the amounts listed for the FY2007 enacted appropriation and the FY2008 request are from the *FY2008 DHS Congressional Budget Justification*.

Table 4. DHS Appropriations, FY2003-FY2008
(budget authority in millions of dollars)

FY2003	FY2004	FY2005	FY2006	FY2007	FY2008 Req.
29,069 ^a	30,175 ^b	30,554 ^c	31,679	35,311 ^d	35,519

Sources: FY2003 enacted taken from H.Rept. 108-169; FY2004 enacted taken from H.Rept. 108-541; FY2005 enacted taken from H.Rept. 109-79; FY2006 enacted taken from H.Rept. 109-476; and the FY2007 appropriation and FY2008 request amounts are from the FY2008 *DHS Congressional Budget Justification*.

Notes: Amounts do not include supplemental appropriations or rescissions that were enacted subsequent to the enactment of each appropriations bill.

- a. S.Rept. 108-86 reported the FY2003 enacted amount as \$29,287 million. CRS was unable to identify the reason for this discrepancy. For the purposes of this table the House number was used to maintain consistency with other fiscal years.
- b. Amount does not include \$4,703 million in advance appropriations for Project Bioshield.
- c. Amount does not include \$2,508 million in advance appropriations for Project Bioshield.
- d. Amount includes \$1,829 million in emergency budget authority that was enacted as a part of the FY2007 DHS Appropriations Act (P.L. 109-295).

Summary of DHS Appropriations

Table 5 is a summary table comparing the enacted appropriations for FY2007 and the requested amounts for FY2008. The Administration requested \$46.4 billion in gross budget authority for FY2008 (including mandatories, fees, and funds). The Administration's request includes gross appropriations of \$43.0 billion, and a net appropriation of \$35.5 billion in budget authority for FY2008, of which \$34.3 billion is discretionary budget authority, and \$1.2 billion is mandatory budget authority. The FY2007 enacted net appropriated budget authority for DHS was \$35.3 billion.

Table 5. DHS: Summary of Appropriations
(budget authority in millions of dollars)

Operational Component	FY2007 Appropriation				FY2008 Appropriation			
	FY2007 Enacted Total	FY2007 Supp.	FY2007 Resc.	FY2007 Total	FY2008 Request	FY2008 House	FY2008 Senate	FY2008 Total
Title I: Departmental Operations								
Subtotal: Title I	1,025 ^a				1,097			
Title II: Security, Enforcement, and Investigations								
— Screening and Operations Office/ US-VISIT	362				[462] ^b			
— Customs and Border Protection	8,035				8,784			
— Immigration and Customs Enforcement	3,958				4,168			
— Transportation Security Administration	3,745				3,705			
— U.S. Coast Guard	8,485				8,506			
— U.S. Secret Service	1,279				1,399			
Net subtotal: Title II	25,865				26,561			
— Total fee collections	4,653				4,926			
Gross subtotal: Title II	30,518				31,487			
Title III: Preparedness and Recovery								
— Preparedness Directorate	4,012				—			
— National Protection & Programs Directorate	—				1,047			
— Office of Health Affairs	—				118			
— Counter Terrorism Fund	—				—			
— Federal Emergency Management Administration	2,464				5,042			
Net subtotal: Title III	6,476				6,207			

Operational Component	FY2007 Appropriation				FY2008 Appropriation			
	FY2007 Enacted Total	FY2007 Supp.	FY2007 Resc.	FY2007 Total	FY2008 Request	FY2008 House	FY2008 Senate	FY2008 Total
Title IV: Research and Development, Training, Assessments, and Services								
— Citizenship and Immigration Services	182				30			
— Federal Law Enforcement Training Center	275				263			
— Science and Technology	973				799			
— Domestic Nuclear Detection Office	481				562			
Net subtotal: Title IV	1,911				1,654			
— Total fee collections	1,804				2,539			
Gross subtotal: Title IV	3,715				4,193			
Title V: General Provisions								
— Rescissions ^c	-232				—			
Department of Homeland Security Appropriation (not including Title V rescissions)								
Gross DHS budget authority	41,769				42,984			
— Total fee collections	-6,458				-7,465			
Net DHS budget authority	35,311				35,519			

Source: FY2008 DHS Congressional Budget Justification.

Notes: Totals may not add due to rounding. Italicized amounts in parentheses are non-adds. For a more detailed analysis of the supplemental appropriations, refer to Appendix I.

- a. *Does not* include a \$5 million rescission per Sec. 21101 of P.L. 110-5.
- b. The Administration's FY2008 budget request proposes moving US-VISIT from Title II to Title III under the proposed National Protection & Programs Directorate.
- c. Title V of P.L. 109-295 includes rescissions of \$16 million from the Counterterrorism Fund, and rescissions of unobligated balances from: S&T \$125 million; TSA \$67 million; USCG \$20 from the Acquisition, Construction, and Improvements account for the development of the Offshore Patrol Cutter; and from Acquisition, Construction, and Improvements account for the Automatic Identification System \$4 million. Title V of P.L. 109-295 also contains two re-appropriations of previously appropriated, but unobligated funds, including \$78 million in funding that was appropriated by P.L. 109-90 for the USCG's Fast Response Cutter that is rescinded; and re-appropriated by Sec. 521 of P.L. 109-295 for the USCG's Replacement Patrol Boat; and \$3 million that is rescinded and re-appropriated by Sec. 560 of P.L. 109-295 from USSS unobligated balances to National Security Special Events (NSSE).

Title I: Departmental Management and Operations⁵

Title I covers the general administrative expenses of DHS. It includes the Office of the Secretary and Executive Management (OS&EM), which is comprised of the immediate Office of the Secretary and 12 entities that report directly to the Secretary; the Undersecretary for Management (USM) and its components, such as the offices of the Chief Administrative Services Officer, Chief Human Capital Officer, and Chief Procurement Officer; the Office of the Chief Financial Officer (OCFO); the Office of the Chief Information Officer (OCIO); Analysis and Operations Office (AOO); Office of the Federal Coordinator for Gulf Coast Rebuilding (OFCGCR); and Office of the Inspector General (OIG). **Table 6** shows Title I appropriations for FY2007 and congressional action on the request for FY2008.

President's FY2008 Request. FY2008 requests relative to comparable FY2007 enacted appropriations are as follows: OS&EM, \$108 million, an increase of \$14 million (+15%); USM, \$278 million, an increase of \$124 million (+81%); OCFO, \$33 million, an increase of \$7 million (+ 21%); OCIO, \$261, a decrease of \$88 million (-25%); AOO, \$315 million, an increase of \$15 million (+5%); OFCGCR, \$3 million, the same level as previously provided (0%); and OIG, \$99 million, almost the same level as previously provided. The total FY2008 request for Title I was \$1,097 million. This represents an increase of \$72 million (+7%) over the FY2007 enacted level.

⁵ Prepared by Harold C. Relyea, Specialist in American National Government, Government and Finance Division.

Table 6. Title I: Department Management and Operations
(budget authority in millions of dollars)

Operational Component	FY2007 Appropriation				FY2008 Appropriation			
	FY2007 Enacted Total.	FY2007 Supp.	FY2007 Resc.	FY2007 Total	FY2008 Request	FY2008 House	FY2008 Senate	FY2008 Total
Office of the Secretary and Executive Management	94				108			
Office of Screening Coordination and Operations	—				—			
Office of the Undersecretary for Management	154 ^a				278			
Office of the Chief Financial Officer	26				33			
Office of the Chief Information Officer	349				261			
Analysis and Operations	300				315			
Office of the Federal Coordinator for Gulf Coast Rebuilding	3				3			
Office of the Inspector General	98				99			
Net Budget Authority: Title I	1,025 ^a				1,097			

Source: FY2008 DHS Congressional Budget Justification.

Notes: No FY2007 funding for Title I was designated as emergency spending. Totals may not add due to rounding. Amounts in parentheses are non-adds.

a. Does *not* include a \$5 million rescission per Sec. 21101 of P.L. 110-5.

Personnel Issues.⁶ The activities of the Office of Human Capital (OHC) may be of interest to Congress during the current appropriations cycle. The OHC reports to the Under Secretary for Management and its appropriation is included in that of the Under Secretary. The OHC appropriation has two parts. The first part, formerly labeled “HR Operations” and now labeled “OHC,” includes funding for the office, which is responsible for the overall management and administration of human capital in DHS. As such, the office establishes policy and procedures and provides oversight, guidance, and leadership for the department’s human resources functions. The second part, formerly labeled “MaxHR” and now labeled “OHC — Operational Initiatives and HR Management System,” includes funding for the OHC organization, which “is responsible for creating, implementing, and operating DHS’ new human resources system,⁷ ensuring that organizational goals and individual work performance are linked, and that employees are compensated based on their contributions to agency performance.” The OHC organization also “is responsible for ensuring that DHS recruits, hires, trains, and retains the very best workforce, provides the highest quality leadership development, and creates a performance culture in the workforce to ensure DHS succeeds in its mission.”⁸ **Table 7** below shows the funding and staff for the OHC as enacted in FY2007 and the FY2008 request.

⁶ Prepared by Barbara L. Schwemle, Analyst in American National Government, Government and Finance Division.

⁷ Title VIII, Subtitle E, Section 841 of P.L. 107-296, enacted on November 25, 2002 (116 Stat. 2135, at 2229-2234), established the new human resources system. DHS and the Office of Personnel Management jointly published final regulations to implement the system, which, at the time, was referred to as “Max-HR,” in the *Federal Register* on February 1, 2005. (U.S. Department of Homeland Security and U.S. Office of Personnel Management, “Department of Homeland Security Human Resources Management System,” *Federal Register*, vol. 70, no. 20, February 1, 2005, pp. 5271-5347.) The regulations provided new policies on position classification, pay, performance management, adverse actions and appeals, and labor-management relations for DHS employees. The system was expected to cover about 110,000 of the department’s 180,000 employees and be implemented in phases. (See CRS Report RL32261, *DHS’s MaxHR Personnel System: Regulations on Classification, Pay, and Performance Management Compared With Current Law, and Implementation Plans*, by Barbara L. Schwemle; and CRS Report RL32255, *Homeland Security: Final Regulations for the Department of Homeland Security Human Resources Management System (Subpart E) Compared With Current Law*, by Jon O. Shimabukuro.) For an analysis of the court decisions on the adverse actions and appeals and labor management relations policies, see CRS Report RL33052, *Homeland Security and Labor-Management Relations: NTEU v. Chertoff*, by Thomas J. Nicola and Jon O. Shimabukuro.

⁸ *FY2008 DHS Justifications, Departmental Management and Operations, Undersecretary for Management*, p. USM-2.

Table 7. Office of Human Capital (OHC) Appropriations
(budget authority in millions of dollars)

Account	FY2007 Enacted	FY2008 Request	FY2008 House	FY2008 Senate	FY2008 Enacted
“OHC” (formerly “HR Operations”)	\$9	\$10			
“OHC — Operational Initiatives and HR Management System” (formerly “MaxHR”)	\$25 ^a	\$15			
Total	\$34	\$25			
Staffing (full time equivalent, FTE, positions)	53	60			

Sources: P.L. 108-334, Oct. 18, 2004, 118 Stat. 1298; P.L. 109-90, Oct. 18, 2005, 119 Stat. 2064; P.L. 109-295, Oct. 4, 2006, 120 Stat. 1355, at 1356, and *FY2008 DHS Justifications, Departmental Management and Operations, Undersecretary for Management, Office of Human Capital, and Office of Human Capital — Max-HR*, pp. USM-39 - USM-44.

^a This amount includes \$5 million for “MaxHR” to support Security Administration, Section 2101 of P.L. 105. The number is rounded.

As directed by the conference report⁹ accompanying P.L. 109-295, the Department of Homeland Security Appropriations Act for FY2007, the Under Secretary for Management submitted an expenditure plan for the DHS Human Resources Management System (HRMS) (formerly “MaxHR”) for FY2007 to the House and Senate Committees on Appropriations on February 1, 2007. The report’s cover letter states that in FY2007 the HRMS “will be broadened ... to encompass additional aspects of FY2007 Human Capital Operational Plan (HCOP), including an increased focus on employee recruiting and advanced homeland security related education.”¹⁰ Among other data, the report states that the contractor Northrop Grumman Information Technology (NGIT) received a contract worth almost \$3 million dollars to provide services through January 31, 2007, related to program management; pay, performance, and classification; and training, communications, and organizational change management at DHS. According to the report, NGIT is being awarded another contract, worth more than \$16 million, to provide services to

⁹ U.S. Congress, Conference Committees, 2006, *Making Appropriations for the Department of Homeland Security For the Fiscal Year Ending September 30, 2007, and For Other Purposes*, conference report to accompany H.R. 5441, 109th Cong., 2nd sess., H.Rept. 109-699 (Washington, DC: GPO, 2006), p. 119.

¹⁰ Letter to Representative David E. Price, Chairman, House Subcommittee on Homeland Security of the House Committee on Appropriations from Paul A. Schneider, Under Secretary for Management, U.S. Department of Homeland Security, February 1, 2007.

the department through September 30, 2007, in the same areas identified above and labor relations.¹¹

The transfer of the Office of Federal Law Enforcement Training Accreditation (FLETA) from the Federal Law Enforcement Training Center (FLETC) to the OHC accounts for the increase of \$1 million and 7 full-time equivalent employees over the FY2007 appropriation for the “OHC” account. Almost 93% of the money requested for FY2008 under this account is for salaries and benefits (\$8 million) and advisory and assistance services (\$2 million) that includes services acquired by contract from non-federal sources.¹² The appropriation will fund continued implementation of the Human Capital Operational Plan for FY2007 to FY2009, development of an employee talent bank for use throughout the department, creation of standards to assess and evaluate learning and development programs, and participation of all new DHS employees in a department-wide orientation program.¹³ Some 76% of the money requested for FY2008 under the “OHC — Operational Initiatives and HR Management System” account is for advisory and assistance services (\$11 million). No funding is requested for salaries and benefits.¹⁴ The appropriation will fund continued training of the DHS workforce in pay for performance and a new pay system pilot project that will cover employees in the department who work in the intelligence area. The pilot will be implemented jointly with the Director of National Intelligence who is developing a pilot pay system for employees of the intelligence agencies. It also will fund investment in recruitment and retention programs along with learning and development initiatives to address gaps in skills and competencies, and deployment of career paths and rotations to facilitate the mobility of DHS employees through various leadership positions in the department.¹⁵

There are new incumbents for both the Under Secretary and Chief Human Capital Officer positions at DHS. Paul Schneider assumed the former position on February 1, 2007, and Marta Brito Perez the latter position on September 18, 2006. During his confirmation hearing on December 6, 2006, Mr. Schneider told the members of the Senate Committee on Homeland Security and Governmental Affairs that he would make sure that DHS officials create an effective method of evaluating employees job performance.

¹¹ *Report to Congress, Spend Plan for MaxHR, Office of Human Capital, Department of Homeland Security, January 4, 2007*, p. 7. Accompanied the letter cited in footnote 5.

¹² *FY2008 DHS Justifications, Departmental Management and Operations, Undersecretary for Management, Office of Human Capital*, pp. USM-39 - USM-41.

¹³ *FY2008 DHS Justifications, Under Secretary for Management, Strategic Context*, p. USM-3.

¹⁴ *FY2008 DHS Justifications, Departmental Management and Operations, Undersecretary for Management, Office of Human Capital — Max-HR*, pp. USM-42 - USM-44.

¹⁵ *FY2008 DHS Justifications, Under Secretary for Management, Strategic Context*, p. USM-4. On January 23, 2007, 27 employees in General Schedule grades 14 and 15 and representing various components of DHS began a year-long fellowship program designed to prepare them for future leadership positions in the department. The program is intended to establish a common culture at DHS and encourage cooperation among the different agencies that comprise the department.

In January 2007, the Culture Task Force of the Homeland Security Advisory Council issued a report to the DHS Secretary. Among its recommendations were that DHS staff be referred to as “employees” or “members” of DHS and not as “human capital,” and that “members of the headquarters” be required to visit and listen “to employees and engage and support groups outside the headquarters” and respond within 30 days on actions taken to address their concerns.¹⁶ The task force believes that “there can be no hierarchically imposed ‘single culture’ within the Department,” but that “an overarching and blended culture can be developed that is based on threads of common values, goals, and focus of mission among DHS headquarters and its component organizations.” With regard to developing and sustaining such a culture, the task force advised that “There are organizations in the Private Sector that will deploy and embed within DHS qualified, objective, emotionally and organizationally detached personnel to help develop the leadership’s vision and strategic goals of creating a Homeland Security (rather than DHS) Mission Culture and then monitor, objectively test, and support progress in achieving, continually improving and sustaining an operationally focused, innovation and people rewarding culture.”¹⁷ The task force recommended that such contract employees work under the direction of a senior (preferably career) DHS employee and with staff from the department’s component agencies.

Analysis and Operations¹⁸

The DHS intelligence mission is outlined in Title II of the Homeland Security Act of 2002 (codified at 6 U.S.C. 121). Organizationally, and from a budget perspective, there have been a number of changes to the information, intelligence analysis, and infrastructure protection functions at DHS. Pursuant to the Homeland Security Act of 2002, the Information Analysis and Infrastructure Protection (IAIP) Directorate was established. The act created an Undersecretary for IAIP to whom two Assistant Secretaries, one each for Information Analysis (IA) and Infrastructure Protection (IP), reported. The act outlined 19 functions for the IAIP Directorate, to include the following, among others:

- To assess, receive, and analyze law enforcement information, intelligence information, and other information from federal, state, and local government agencies, and the private sector to (1) identify and assess the nature and scope of the terrorist threats to the homeland, (2) detect and identify threats of terrorism against the United States, and (3) understand such threats in light of actual and potential vulnerabilities of the homeland;

¹⁶ Homeland Security Advisory Council, *Report of the Culture Task Force*, January 2007, pp. 2-3. Section 871 of P.L. 107-296 (116 Stat. 2243) authorized the council which provides advice and recommendations to the DHS Secretary on homeland security matters. In June 2006, Secretary Chertoff directed the council to establish the task force “to provide observations and recommendations for achieving and maintaining an empowering, energetic, dedicated, mission-focused culture within the Department....”

¹⁷ *Ibid.*, pp. 5-6.

¹⁸ Prepared by Todd Masse, Specialist in Domestic Intelligence and Counterterrorism, Domestic Social Policy Division.

- To develop a comprehensive national plan for securing the key resources and critical infrastructure of the United States;
- To review, analyze, and make recommendations for improvements in the policies and procedures governing the sharing of law enforcement information, intelligence information, and intelligence-related information within the federal government and between the federal government and state and local government agencies and authorities.¹⁹

President's FY2008 Request. The FY2008 request for the Analysis and Operations account is \$315 million, an increase of \$15 million (+5%) over the enacted FY2007 amount. It should be noted that funds included in this account support both the Office of Intelligence and Analysis (OIA) and the Office of Operations Coordination. The Office of Intelligence and Analysis, the successor to the "IA" element of the erstwhile IAIP, has as its primary responsibility the integration and analysis of DHS information, state and local information, and Intelligence Community intelligence into finished intelligence products, such as threat assessments and other indications and warning documents. As a member of the Intelligence Community, the Office of Intelligence and Analysis's budget is classified. The Office of Operations Coordination formally houses the National Operations Center which, among other functions, disseminates OIA assessed threat information, provides domestic situational awareness, and performs incident management on behalf of the Department.

Title II: Security Enforcement and Investigations

Title II contains the appropriations for the U.S.-Visitor and Immigrant Status Indicator (US-VISIT) program²⁰, the Bureau of Customs and Border Protection (CBP), the Bureau of Immigration and Customs Enforcement (ICE), the Transportation Security Administration (TSA), the US Coast Guard, and the US Secret Service. **Table 8** shows the FY2007 enacted and FY2008 requested appropriation for Title II.

¹⁹ See Title II, Subtitle A, Section 201(d), Responsibilities of the Undersecretary (of IAIP), codified at 6 U.S.C. §121. See also Department of Homeland Security, Office of the Inspector General, *Survey of the Information Analysis and Infrastructure Protection Directorate*, Office of Inspections, Evaluations, and Special Reviews, OIG-04-413, February 2004, p. 26.

²⁰ US-VISIT has historically been located within Title II of the DHS appropriation. However, the FY2008 President's Budget proposes that US-VISIT be transferred to the proposed National Protection and Programs Directorate (NPPD) in Title III.

Table 8. Title II: Security, Enforcement, and Investigations
(budget authority in millions of dollars)

Operational Component	FY2007 Appropriation				FY2008 Appropriation			
	FY2007 Enacted Total	FY2007 Supp.	FY2007 Resc.	FY2007 Total	FY2008 Request	FY2008 House	FY2008 Senate	FY2008 Total
US-VISIT^a								
— US-VISIT	362				[462]			
Net total	362							
Customs & Border Protection								
— Salaries and expenses	5,562				6,580			
— Automation modernization	451				477			
— Air and Marine Operations	602				477			
— Border Security Fencing, Infrastructure, and Technology	1,188				1,000			
— Construction	233				250			
— Fee accounts ^b	1,303				1,385			
Gross total	9,338				10,168			
— Offsetting collections	-1,303				-1,385			
Net total	8,035				8,784			
Immigration & Customs Enforcement								
— Salaries and expenses	3,887				4,162			
— Federal Protective Services (FPS)	516				613			
— Automation & infrastructure modernization	15				—			
— Construction	56				6			
— Fee accounts ^c	252				234			

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Operational Component	FY2007 Appropriation				FY2008 Appropriation			
	FY2007 Enacted Total	FY2007 Supp.	FY2007 Resc.	FY2007 Total	FY2008 Request	FY2008 House	FY2008 Senate	FY2008 Total
Gross total	4,727				5,015			
— Offsetting FPS fees	-516				-613			
— Offsetting collections	-252				-234			
Net total	3,958				4,168			
Transportation Security Administration								
— Aviation security (gross funding)	4,732 ^e				4,953			
— Surface Transportation Security	37				41			
— Transportation Threat Assessment and Credentialing	40 ^f				78			
— Credentialing Fees	29				81			
— Transportation Security Support	525				525			
— Federal Air Marshalse	714				722			
— Aviation security capital fund ^g	250				—			
Gross total	6,327				6,399			
— Offsetting collections	-2,303				-2,613			
— Credentialing/Fee accounts	-29				-81			
— Aviation security capital fund (mandatory spending)	-250				—			
Net total	3,745 ^h				3,705			

Operational Component	FY2007 Appropriation				FY2008 Appropriation			
	FY2007 Enacted Total	FY2007 Supp.	FY2007 Resc.	FY2007 Total	FY2008 Request	FY2008 House	FY2008 Senate	FY2008 Total
U.S. Coast Guard								
— Operating expenses	5,568 ⁱ				5,894			
— Environmental compliance & restoration	11				12			
— Reserve training	122				127			
— Acquisition, construction, & improvements	1,409 ^j				998 ^j			
— Alteration of bridges	16				—			
— Research, development, tests, & evaluation	17				18			
— Retired pay (mandatory, entitlement)	1,063				1,185			
— Health care fund contribution	279				272			
Gross total	8,485				8,506			
U.S. Secret Service								
— Salaries and expenses	964 ^k				—			
— Protection, administration, and training	—				812			
— Investigations and field operations	311				300			
— Administration	—				176			
— Special event fund	—				55			
— Training	—				52			
— Acquisition, construction, improvements, and related expenses	4				4			
Net total	1,279				1,399			

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Operational Component	FY2007 Appropriation				FY2008 Appropriation			
	FY2007 Enacted Total	FY2007 Supp.	FY2007 Resc.	FY2007 Total	FY2008 Request	FY2008 House	FY2008 Senate	FY2008 Total
Gross Budget Authority: Title II	30,518				31,487			
Offsetting collections:	4,653				4,926			
Net Budget Authority: Title II	25,865				26,561			

Source: *FY2008 DHS Congressional Budget Justification.*

Notes: Totals may not add due to rounding. Amounts in parentheses are non-adds. Amounts in italics and brackets show what the FY2008 request would look like if it had followed the FY2007 DHS account structure.

- a. United States Visitor & Immigrant Status Indicator Project (US-VISIT). The FY2008 President's Budget proposes that US-VISIT be transferred to the proposed National Protection and Programs Directorate (NPPD) in Title III.
- b. Fees include COBRA, Land Border, Immigration Inspection, Immigration Enforcement, and Puerto Rico.
- c. Fees include Exam, Student Exchange and Visitor Fee, Breached Bond, Immigration User, and Land Border.
- d. Fees include TWIC, HAZMAT, Registered Traveler, and Alien Flight School Checks.
- e. *Does not* include transfer of \$7 million per Sec. 21101 of P.L. 110-5.
- f. *Does not* include transfer of -\$2 million per Sec. 21101 of P.L. 110-5.
- g. Aviation Security Capital Fund, used for installation of Explosive Detection Systems at airports.
- h. *Does not* include \$67 million rescission of unobligated balances per P.L. 109-295.
- i. Includes \$90 million transfer from Department of Defense per P.L. 109-289.
- j. For FY2007 *does not* include \$44 million in rescissions per Title V of P.L. 109-295, and for FY2008 request *does not* include a proposed rescission of \$49 million.
- k. Includes a 2.5 million re-appropriation of a rescinded prior year unobligated balance.

Customs and Border Protection (CBP)²¹

CBP is responsible for security at and between ports-of-entry along the border. Since September 11, 2001, CBP's primary mission is to prevent the entry of terrorists and the instruments of terrorism. CBP's ongoing responsibilities include inspecting people and goods to determine if they are authorized to enter the United States; interdicting terrorists and instruments of terrorism; intercepting illegal narcotics, firearms, and other types of contraband; interdicting unauthorized travelers and immigrants; and enforcing more than 400 laws and regulations at the border on behalf of more than 60 government agencies. CBP is comprised of the inspection functions of the legacy Customs Service, Immigration and Naturalization Service (INS), and the Animal and Plant Health Inspection Service (APHIS); the Office of Air and Marine Interdiction, now known as CBP Air and Marine (CBPAM); and the U.S. Border Patrol (USBP). See **Table 8** for account-level detail for all of the agencies in Title II, and **Table 9** for sub-account-level detail for CBP Salaries and Expenses (S&E) for FY2007 and FY2008.

President's FY2008 Request. The Administration requested an appropriation of \$10,168 million in gross budget authority for CBP for FY2008, amounting to an \$830 million, or 9%, increase over the enacted FY2007 level of \$9,338 million. The Administration requested \$8,874 million in net budget authority for CBP in FY2008, which amounts to a \$749 million, or 9%, increase over the net FY2007 appropriation of \$8,035 million.

Table 9. CBP S&E Sub-account Detail
(budget authority in millions of dollars)

Activity	FY2007 Enact.	FY2008 Req.	FY2008 House	FY2008 Senate	FY2008 Conf.
Headquarters Management and Administration	1,248	1,277			
Border Security Inspections and Trade Facilitation @ POE	1,860	2,057			
Inspections, Trade & Travel Facilitation @ POE	1,327	1,610			
Container Security Initiative (CSI)	139	156			
Other International Programs	9	9			
C-TPAT	55	56			
FAST/Nexus/SENTRI	11	11			
Inspection and Detection Technology	241	136			
Systems for Targeting	27	28			
National Targeting Center	24	24			

²¹ Prepared by Jennifer E. Lake and Blas Nuñez-Neto, Analysts in Domestic Security, Domestic Social Policy Division.

Activity	FY2007 Enact.	FY2008 Req.	FY2008 House	FY2008 Senate	FY2008 Conf.
Training at POE	25	25			
Harbor Maintenance Fee	3	3			
Border Security and Control Between POE	2,278	3,037			
Border Security and Control Between POE	2,240	2,984			
Training Between the POE	38	53			
Air and Marine Operations - Salaries	176	208			
CBP Salaries and Expenses Total:	5,562	6,580			

Source: *FY2008 DHS Congressional Budget Justification*, p. CBP-S&E-5.

Note: Totals may not add due to rounding.

Issues for Congress. Numerous issues will be of interest to Congress as it debates the President's FY2008 request for CBP. One issue is the requested programmatic increases for CBP, only \$15 million was requested for cargo security-related programs (see below for further analysis). The bulk of the requested increased funding is dedicated to screening people. Other issues may include whether the President's request for fencing at the border satisfies the legislative mandates in the Secure Fence Act (P.L. 109-367); whether CBP's request is sufficient to implement the Western Hemisphere Travel Initiative in time to meet the deadlines established by the FY2007 DHS Appropriations Act (P.L. 109-295); and whether the USBP has asked for the resources it needs to hire, train, and deploy the 3,000 agents.

SBInet. The Administration requested \$1,000 million for the deployment of SBInet²² related technologies and infrastructures in FY2008; however, the Administration's request does not identify how that funding will be apportioned between the fencing, infrastructure, and technology components of the account. According to the DHS budget submission, SBInet will initially focus on the southwest land border between POE and will deploy a mix of personnel, technology, infrastructure, and response assets in order to "provide maximum tactical advantage in each unique border environment."²³ CBP plans to construct an SBInet command center that will provide a common operating picture for all DHS agencies and external stakeholders. In FY2007, DHS announced that it had awarded a prime integrator contract to Boeing to oversee the deployment of SBInet; P.L.109-295 required that any contract action related to SBI valued at over \$20 million be reviewed by the DHS Inspector General to ensure it adheres to applicable cost

²² SBInet is the technological and infrastructure component of the Secure Border Initiative (SBI), a multifaceted approach to securing the border. In its FY2007 budget submission, DHS asserted that it had "developed a three-pillar approach under the SBI that will focus on controlling the border, building a robust interior enforcement program, and establishing a Temporary Worker Program." *DHS FY2007 Justification*, p. CBP S&E 4.

²³ *DHS FY2008 Justification*, p. CBP BSFIT 3.

requirements, performance objectives, and program milestones. Possible issues for Congress could include whether the contracting associated with SBInet is being carried out responsibly and effectively, and how funding is apportioned between the technology, infrastructure, and fencing components of the account.

Fencing. In the 109th Congress, legislation was enacted (P.L. 109-367) directing DHS to construct two-layered reinforced fencing and additional physical barriers, roads, lighting, cameras, and sensors along five stretches of the southwest border. CBP has estimated that these stretches of fencing will total roughly 850 miles²⁴ of the southern border. DHS has stated that its FY2008 request, when combined with prior year appropriations, will fund the completion of 370 cumulative miles of fencing along the southern border.²⁵ However, DHS has not identified what the actual amount of funding that will be used for border fencing is, or how much it will cost to maintain the fencing in future fiscal years. According to CBP Congressional Affairs, this fencing will be a combination of primary and two layer fencing, will be constructed along areas of the border where DHS determines fencing will provide a tactical advantage, and will be constructed by some mix of private contractors and the National Guard (supervised by the Army Corps of Engineers).²⁶ Possible issues for Congress could include whether DHS is complying with the legislative mandates set out in P.L. 109-367, what the total costs associated with building and maintaining the border fencing will be, and oversight of the contracting involved if private contractors are used to build the fencing.

Hiring U.S. Border Patrol (USBP) Agents. The Administration requested an increase of \$481 million to hire 3,000 new USBP agents in order to bring the total number of agents to 17,819 by the end of calendar year 2008.²⁷ This would roughly double the size of the USBP from the time the President took office in 2001. One potential issue for Congress may include whether this hiring goal is attainable. In FY2006, Congress appropriated funding for 1,500 additional agents; however, at the end of FY2006 the border patrol had increased by 1,081 agents to 12,349.²⁸ This means that DHS fell roughly 30% short of their goal for agents hired in FY2006; additionally, the USBP experienced an attrition rate of 7% in FY2006²⁹ making their hiring goals more difficult to attain. The FY2007 appropriation for DHS included an increase of 2,500 agents for the USBP. A potential issue for Congress may involve whether some incentives should be offered to help DHS recruit additional agents or keep existing agents from leaving the agency.

Western Hemisphere Travel Initiative (WHTI). The Administration requested an increase of \$252.4 million for WHTI. WHTI will require U.S. citizens, and Canadian, Mexican, and some island nation nationals to present a passport, or

²⁴ From CBP Congressional Affairs, September 25, 2006.

²⁵ *DHS FY2008 Justification*, p. CBP BSFIT 12.

²⁶ From CBP Congressional Affairs, January 26, 2007.

²⁷ *DHS FY2008 Justification*, p. CBP S&E 49.

²⁸ From CBP Congressional Affairs, February 8, 2007.

²⁹ From CBP Congressional Affairs, December 12, 2006.

some other document or combination of documents deemed sufficient to denote identity and citizenship status by the Secretary of Homeland Security, as per P.L. 108-458 §7209. DHS announced that it is requiring all U.S. citizens entering the country at air and sea POE to present passports as of January 18, 2007; the current legislative mandate for expanding the program to all POE is the *earlier* of the following two dates: June 1, 2009 or three months after the Secretaries of Homeland Security and State certify that a number of implementation requirements have been met.³⁰ The FY2008 request for WHTI will include funding to hire 205 CBP officers and to deploy WHTI pilot programs to 13 POE.³¹ Possible issues for Congress may include whether DHS is on track to meet its implementation deadlines, how the WHTI program will interface with existing registered traveler programs (i.e., Nexus and SENTRI), and whether any POE infrastructure modifications or expansions will be required to accommodate WHTI technology.

Container Security Initiative (CSI). CSI is a program by which CBP stations CBP officers in foreign ports to target high-risk containers for inspection before they are loaded on U.S.-bound ships. CSI is operational in 50 ports as of October 2006. Current plans are to have CSI operational in 58 ports by the end of FY2007 and to continue to expand CSI to strategically important ports throughout FY2008. The CBP Budget Justifications indicate a requested increase of \$16.8 million for the CSI program for FY2008. However, \$15.0 million of this increase is for the SFI program. The rest of the increase for CSI is for non-programmatic increases (pay and non-pay inflation). An issue for Congress might be why additional funding for CSI was not requested given that DHS anticipates expanding CSI in FY2008 to additional strategically important ports. Questions could also arise concerning the impact (at 6 foreign ports, see below) the first iteration of the Secure Freight Initiative (SFI) will have on CSI operations at SFI pilot ports, as SFI represents a change in cargo security strategy from targeting *high-risk* containers for scanning and inspection under CSI, to performing an integrated scan (radiation detection, image, and information risk factors) on *all* U.S.-bound containers.

Secure Freight Initiative (SFI). The Secure Freight Initiative (SFI) is a DHS program aimed at securing the cargo on its journey from its origin in a foreign country to its final destination in the U.S. The first iteration of SFI is being operated by CBP in partnership with the Department of Energy (DOE), and several foreign governments. The current iteration of SFI is being operated as a part of CSI and involves several CSI ports. Under SFI, DHS plans to deploy scanning, imaging, and secure communications equipment to selected ports to develop a so-called integrated scan (radiation detection, image, and information risk factors) of all U.S.-bound containers leaving the port. SFI at Port Qasim, Pakistan; Puerto Cortes, Honduras; and at Southampton in the United Kingdom will be fully operational scanning all U.S.-bound containers from these ports. SFI will gradually be deployed in more limited capacities at Port Salalah, Oman; the Port of Singapore; and at the Port of Busan, South Korea. Additionally, Hong Kong officials have agreed to allow DHS to continue testing the existing integrated cargo inspection system (ICIS) at the port

³⁰ P.L. 109-295 §546.

³¹ *FY2008 DHS Congressional Budget Justification*, pp. CBP S&E 61-62.

of Hong Kong. Approximately 24.5% of U.S.-bound containers originate from these test ports, including Hong Kong.³²

Under a fully operational SFI scenario, *all* U.S.-bound containers from that port would be scanned with the integrated scanning system. This will require additional resources on the part of the host country governments and on the part of CBP. The FY2008 request for CBP includes \$15 million for SFI within the CSI program. Currently under CSI, *high-risk* containers are inspected before they are loaded on U.S.-bound ships, while SFI envisions *all* U.S.-bound containers being subject to the “integrated scan” prior to loading. This SFI strategy raises a number of questions, including issues concerning: workload (switching from a targeted approach to scanning all containers will require more resources); resolving alarms (the more containers that are scanned the more alarms will have to be resolved); equipment (who is operating and providing the equipment); and funding (is \$15 million sufficient to cover the initial phase of the program).

Immigration and Customs Enforcement (ICE)³³

ICE focuses on enforcement of immigration and customs laws within the United States. ICE develops intelligence to reduce illegal entry into the United States and is responsible for investigating and enforcing violations of the immigration laws (e.g., alien smuggling, hiring unauthorized alien workers). ICE is also responsible for locating and removing aliens who have overstayed their visas, entered illegally, or have become deportable. In addition, ICE develops intelligence to combat terrorist financing and money laundering, and to enforce export laws against smuggling, fraud, forced labor, trade agreement noncompliance, and vehicle and cargo theft. Furthermore, this bureau oversees the building security activities of the Federal Protective Service, formerly of the General Services Administration. The Federal Air Marshals Service (FAMS)³⁴ was returned from ICE to TSA pursuant to the reorganization proposal of July 13, 2005. The Office of Air and Marine Interdiction was transferred from ICE to CBP, and therefore the totals for ICE do not include Air and Marine Interdiction funding, which is included under CBP. See **Table 7** for account-level detail for all of the agencies in Title II, and **Table 10** for sub-account-level detail for ICE Salaries and Expenses (S&E) for FY2007 and FY2008.

President’s FY2008 Request. The Administration requested \$5,015 million in gross budget authority for ICE in FY2008. This represents a 6% increase over the enacted FY2007 level of \$4,727 million. The Administration requested an appropriation of \$4,168 million in net budget authority for ICE in FY2008, representing a 5% increase over the FY2007 enacted level of \$3,958 million. **Table**

³² Eric Kulisch, “Secure Freight Debuts: DHS to follow automated cargo scanning pilot with private sector data warehouse,” *American Shipper*, vol. 49, no. 2 (February, 2007), p.10.

³³ Prepared by Alison Siskin, Specialist in Immigration Legislation, Domestic Social Policy Division.

³⁴ FAMS transferred to ICE from TSA in August of 2003.

10 provides activity-level detail for the Salaries and Expenses account. The request included the following program increases:

- \$7 million (19 FTE) for the Office of Professional Responsibility to investigate allegations of criminal and serious misconduct involving ICE and CBP employees;
- \$10.7 million (32 FTE) for Border Enforcement Security (BEST) Task Forces;³⁵
- \$5 million (15 FTE) for ICE Mutual Agreement between Government and Employers (IMAGE), an initiative with private employers to improve worksite enforcement;
- \$1.8 million (4 FTE) for the Trade Transparency Unit to coordinate investigations with foreign governments and law enforcement to combat trade-based money laundering;
- \$5 million (18 FTE) to enhance ICE's anti-gang initiative (Operation Community Shield);
- \$26.4 million for 287(g) agreements;³⁶
- \$15.7 million (2 FTE) for information technology investments;³⁷
- \$31 million (28 FTE) for 600 additional detention beds and support personnel;
- \$28.7 million (110 FTE) for the Criminal Alien Program (CAP), which includes the Institutional Removal Program (IRP) and the Criminal Alien Apprehension Program (ACAP);³⁸ and
- \$10.8 million for centralized ticketing operation and additional air transportation (including use of the Justice Prisoners and Alien Transportation System (JPATS)) for alien removals.

³⁵ ICE-led BEST task forces coordinate federal, state, local, tribal, and foreign law enforcement and intelligence entities to disrupt cross-border criminal organization to mitigate border security vulnerabilities. This increase would fund the existing BEST task force in Laredo, TX, and establish six additional task forces.

³⁶ This increase includes money for training 250 state and local law enforcement officers, 350 detention beds and associated staff, and \$7.5 million for T-1 data transmission lines, computers with IDENT/ENFORCE capabilities and connectivity to ICE databases.

³⁷ This increase includes \$11.5 million for Detention and Removal Operations (DRO) IT modernization; \$2.2 million for mobile IDENT/ENFORCE devices; and \$2 million for upgrading immigration enforcement systems.

³⁸ The increase for CAP will fund 22 additional 10-person CAP teams replacing an estimated 360 Special Agents performing CAP duties.

Table 10. ICE S&E Sub-account Detail
(budget authority in millions of dollars)

Activity	FY07 enacted	FY08 request	FY08 House	FY08 Senate	FY08 Conf.
HQ & Administration	274	314			
Legal Proceeding	187	208			
Investigations - Domestic	1,285	1,372			
Investigations - International	105	108			
Investigations Total:	1,390	1,480			
Intelligence	51	52			
DRO-Custody Operations	1,382	1,460			
DRO-Fugitive Operations	183	186			
DRO - Institutional Removal Program	137	168			
DRO - Alternatives to Detention	44	44			
DRO Transportation and Removal Program	238	249			
DRO Total:	1,984	2,107			
Unspecified Supplemental	—				
ICE Salaries and Expenses:	3,887	4,162			

Sources: *DHS FY2008 Congressional Budget Justifications*, p. PBO-55, and the conference report (H.Rept. 109-476) to H.R. 5441. The ICE justifications distributed funding for HQ and Administration throughout the agency's other accounts. In order to be more precise, this table presents the HQ and Administration account as specified in the Performance Budget Overview section of the *DHS FY2008 Congressional Budget Justifications*. Unspecified supplemental from P.L. 109-234.

Note: Totals may not add due to rounding.

Issues for Congress. ICE is responsible for many divergent activities due to the breadth of the civil and criminal violations of law that fall under ICE's jurisdiction. As a result, the allocation of resources in a manner in which to best achieve their mission is a continuous issue. In addition, part of ICE's mission includes locating and removing deportable aliens, which involves determining the appropriate amount of detention space, as well as which aliens should be detained. Another issue is the ability of ICE to identify criminal aliens while they are incarcerated for their criminal activity so that the aliens can be removed prior to being released into the community. Also, there has been debate concerning the extent to which state and local law enforcement should aid ICE with the identification, detention, and removal of deportable aliens.

Office of Investigations/Immigration Functions. The Office of Investigations (OI) in ICE focuses on a broad array of criminal and civil violation affecting national security such as illegal arms exports, financial crimes, commercial

fraud, human trafficking, narcotics smuggling, child pornography/exploitation, worksite enforcement, and immigration fraud. ICE special agents also conduct investigations aimed at protecting critical infrastructure industries that are vulnerable to sabotage, attack, or exploitation. The Homeland Security Act of 2002 (P.L. 107-296) abolished the INS and the United States Customs Service, and transferred most of their investigative functions to ICE effective March 1, 2003. There are investigative advantages to combining the INS and Customs Services, as those who violate immigration laws often are engaged in other criminal enterprises (e.g., alien smuggling rings often launder money). Nonetheless, concerns have been raised that not enough resources have been focused on investigating civil violations of immigration law and that ICE resources have been focused on terrorism and the types of investigations performed by the former Customs Service.³⁹ The President's budget requests \$1,480 million total for OI.

Detention and Removal Operations. Detention and Removal Operations (DRO) in ICE provide custody management of aliens who are in removal proceedings or who have been ordered removed from the United States.⁴⁰ DRO is also responsible for ensuring that aliens ordered removed actually depart from the United States. Many contend that DRO does not have enough detention space to house all those who should be detained. A study done by DOJ's Inspector General found that almost 94% of those detained with final orders of removal were deported, whereas only 11% of those not detained, who were issued final orders of removal, left the country.⁴¹ Concerns have been raised that decisions on which aliens to release and when to release the aliens may be based on the amount of detention space, not on the merits of individual cases, and that the amount of space may vary by area of the country leading to inequities and disparate policies in different geographic areas. The Intelligence Reform and Terrorism Prevention Act of 2004 (P.L. 108-458, §5204) authorized, subject to appropriations, an increase in DRO bed space of 8,000 beds for each year, FY2006-FY2010. The President's budget requested a total of \$2,107 million for DRO including an additional \$31 million for 600 detention beds and support personnel, and \$10.8 million for transportation for alien removals. Notably, included in the requested increase for 287(g) agreements is funding for 350 beds and necessary personnel.

Alternatives to Detention. Due to the cost of detaining aliens, and the fact that many non-detained aliens with final orders of removal do not leave the country, there has been interest in developing alternatives to detention for certain types of aliens who do not require a secure detention setting. In 2004, ICE began a pilot program, the Intensive Supervision Appearance Program, for low-risk, nonviolent

³⁹ Based on CRS discussions with ICE personnel in New York City, August 27, 2003.

⁴⁰ For more information on detention issues see CRS Report RL32369, *Immigration-Related Detention: Current Legislative Issues*, by Alison Siskin. Under the INA aliens can be removed for reasons of health, criminal status, economic well-being, national security risks, and others that are specifically defined in the act.

⁴¹ Department of Justice, Office of the Inspector General, *The Immigration and Naturalization Service's Removal of Aliens Issued Final Orders*, Report I-2003-004, February 2003.

offenders.⁴² In addition, ICE uses electronic monitoring devices as another alternative to detention. The President's budget requests \$43.9 million for alternatives to detention.

Criminal Alien Program (CAP). Criminal aliens are aliens who have committed crimes that make them removable. The potential pool of removable criminal aliens is in the hundreds of thousands. Some are incarcerated in federal, state, or local facilities, while others are free across the United States, because they have already served their criminal sentences.⁴³ DHS' CAP attempts to locate criminal aliens who have been released after serving their criminal sentences so that the aliens can be removed from the United States. In addition, CAP is directed at identifying criminal aliens in federal, state, and local prisons, and assuring that these aliens are taken into ICE custody at the completion of their criminal sentences. Although federal prisons have a system to notify ICE when there is an alien in custody, notification from state and local prisons and jails is not systematic, and many criminal aliens are released after their criminal sentences are completed rather than taken into ICE custody, making it more difficult to locate the aliens for deportation and raising the concern that the released aliens will commit new crimes. Like ICE, INS had historically failed to identify all removable imprisoned aliens.⁴⁴ The President's FY2008 budget request included \$179 million for CAP.

Institutional Removal Program. INA §238(a) allows for removal proceedings to be conducted at federal, state, and local prisons for aliens convicted of crimes. This program as instituted is known as the Institutional Removal Program (IRP) and is part of ICE's Criminal Alien Program (CAP). Under the IRP, the proceedings are held while the alien is incarcerated. Nonetheless, under the INA aliens must complete their criminal sentences before they can be removed from the United States.⁴⁵ INS developed a nationwide automated tracking system for the federal Bureau of Prisons (BOP) and deployed them to IRP sites. The system covers foreign born inmates incarcerated under the federal system and tracks the hearing status of each inmate.⁴⁶ The President's budget requests at total of \$168 million for the IRP.

⁴² Department of Homeland Security, U.S. Immigration and Customs Enforcement, "Public Security: ICE Unveils New Alternative to Detention," *Inside ICE*, vol. 1, no. 5, June 21, 2004, available at [http://www.ice.gov/graphics/news/newsreleases/insideice/insideice_062104_web3.htm].

⁴³ Stana, *Challenges to Implementing the Immigration Interior Enforcement Strategy*, p. 5.

⁴⁴ Of 35,318 criminal aliens released between 1994 and 1999, at least 11,605 went on to commit new crimes. See Governmental Accountability Office, *Criminal Aliens: INS' Efforts to Identify and Remove Imprisoned Aliens Continues to Need Improvement*, GAO/T-GGD-99-47, February 25, 1999.

⁴⁵ INA §241(a)(4)(A).

⁴⁶ Government Accountability Office, *Immigration Enforcement: Challenges to Implementing the INS Interior Enforcement Strategy*, GAO-02-861T, June 19, 2002.

State and Local Law Enforcement.⁴⁷ Currently, the INA provides limited avenues for state enforcement of both its *civil* and criminal provisions. One of the broadest grants of authority for state and local immigration enforcement activity stems from INA §287(g), which authorizes the Attorney General to enter into a written agreement with a state, or any political subdivision to allow an officer or employee of the state or subdivision, to perform a function of an immigration officer in relation to the investigation, apprehension, or detention of aliens in the United States. The enforcement of immigration by state and local officials has sparked debate among many who question what the proper role of state and local law enforcement officials should be in enforcing federal immigration laws. Many have expressed concern over proper training, finite resources at the local level, possible civil rights violations, and the overall impact on communities. Some localities, for example, even provide “sanctuary” for illegal aliens and will generally promote policies that ensure such aliens will not be turned over to federal authorities. Nonetheless, some observers contend that the federal government has scarce resources to enforce immigration law and that state and local law enforcement entities should be utilized. The President’s budget request includes an increase of \$26.4 million to \$78.4 million for these agreements.

Federal Protective Service.⁴⁸ The Federal Protective Service (FPS), within ICE, is responsible for the protection and security of federally owned and leased buildings, property, and personnel. It has two primary missions — basic security and building specific security. The Administration requests \$613 million in FY2008 for these missions.⁴⁹ FPS focuses on law enforcement and protection of federal facilities from criminal and terrorist threats. Currently, FPS utilizes approximately 15,000 contract security guards and 950 uniformed law enforcement officers. However, FPS intends to move these uniformed law enforcement officers into other ICE law enforcement offices or reduce the number through attrition. In FY2008, the Administration plans for FPS to have three main components: security policy and standards; building security assessments; and agency compliance with security standards.⁵⁰

Transportation Security Administration (TSA)⁵¹

The TSA was created by the Aviation and Transportation Security Act (ATSA, P.L. 107-71), and it was charged with protecting air, land, and rail transportation systems within the United States to ensure the freedom of movement for people and

⁴⁷ This section adapted from CRS Report RL32270, *Enforcing Immigration Law: The Role of State and Local Law Enforcement*, by Blas Nuñez-Neto, Michael John Garcia, and Karma Ester.

⁴⁸ This section authored by Shawn Reese, Government and Finance Division.

⁴⁹ OMB, *Budget of the US Government, Fiscal Year 2008*, p. 460.

⁵⁰ *U.S. Immigration and Customs Enforcement, Federal Protective Service, Fiscal Year 2008, Congressional Justification*

⁵¹ Prepared by Bart Elias, Specialist in Aviation Safety, Security, and Technology, Resources, Science, and Industry Division.

commerce. In 2002, the TSA was transferred to DHS with the passage of the Homeland Security Act (P.L. 107-296). The TSA's responsibilities include protecting the aviation system against terrorist threats, sabotage, and other acts of violence through the deployment of passenger and baggage screeners; detection systems for explosives, weapons, and other contraband; and other security technologies. The TSA also has certain responsibilities for marine and land modes of transportation including assessing the risk of terrorist attacks to all non-aviation transportation assets, including seaports; issuing regulations to improve security; and enforcing these regulations to ensure the protection of these transportation systems. TSA is further charged with serving as the primary liaison for transportation security to the law enforcement and intelligence communities. See **Table 8** for account-level detail for all of the agencies in Title II, and **Table 11** for sub-account-level detail for TSA for FY2007 enacted and the FY2008 proposal.

President's FY2008 Request. The proposed funding level for the TSA, a gross total of \$6,399 million, comprises roughly 14% of the gross total DHS budget request. The President's FY2008 request estimates about \$2,694 million in offsetting collections, mostly through the collection of airline passenger security fees, yielding at net total requested amount for TSA of \$3,705 million, which is paid for out of the Treasury general fund. In breaking with prior year requests, the President's FY2008 request does not propose any changes to the existing passenger security fee structure. In prior years, the President sought to increase these fees, however the proposed changes to the fee structure failed to garner much support in Congress.

The proposed FY2008 gross funding level for TSA of \$6,399 is comparable to the FY2007 enacted level of \$6,327. Although, notably absent from the requested amount is the \$250 million in mandatory funding for the Aviation Security Capital Fund that provides grants to airports for constructing in-line explosive detection systems (in-line EDS). Authority for this fund is set to expire at the end of FY2007, but legislation to extend authorization is currently being considered by Congress (see H.R. 1 and S. 509).

Funding for aviation security, Federal Air Marshals, and aviation-related vetting functions comprises roughly 90% of the total proposed TSA budget. Sub-account level amounts in the President's FY2008 request are presented in **Table 11**. Several aviation security activities, including training, human resources, checkpoint support, and airport management and information technology (IT) support, would see a decrease in funding compared to FY2007 enacted levels under the President's proposal. This appears to be part of an effort to trim overhead costs, largely through improved efficiency. On the other hand, the President has proposed notable increases for Explosives Detection System (EDS) and Explosives Trace Detection (ETD) equipment purchase, installation, and maintenance compared to FY2007 enacted levels. This increase was anticipated, as much of the fielded explosives detection equipment has been in service for more than four years and is reaching useful service life requiring additional maintenance and replacement costs to be factored into the budget process. With regard to screener staffing, the President has proposed a net increase of 955 full-time equivalent screeners (roughly a 2% increase in the screener workforce), largely to support a new travel document screening initiative. The

President, however, proposes to trim support staff, resulting in a net decrease of about 351 FTEs across all of the TSA.

Under the President's budget proposal, the Transportation Threat Assessment and Credentialing (TTAC) function would almost be doubled compared to FY2007 enacted levels, with the entire amount of the increase, \$38 million, going toward the Secure Flight development effort. Secure Flight, the long delayed program that would establish a centralized, federally operated system for prescreening airline passengers against terrorist watchlists, is now scheduled to become operational in the summer of 2008. Credentialing fee programs would see a notable increase as the Registered Traveler program continues its nationwide expansion in FY2008, and the Transportation Worker Identification Credential (TWIC) program is scheduled to become fully operational at the nation's seaports in FY2008. The President's budget proposes setting funding for surface transportation security at \$41 million, roughly \$5 million above FY2007 enacted levels. The additional proposed funding would be used to hire additional canine teams and inspectors for rail and mass transit. Under the President's proposal funding for Transportation Security Support functions would remain roughly unchanged from FY2007 enacted levels.

Table 11. TSA Gross Budget Authority by Budget Activity
(budget authority in millions of dollars)

Budget Activity	FY2007 Total	FY2008 Request	FY2007 House	FY2007 Senate	FY2007 Enacted
Aviation Security	4,732	4,953			
Screening Partnership Program (SPP)	149	143			
Passenger & Baggage Screening (PC&B)	2,470	2,601			
Screener Training & Other	244	200			
Human Resource Services	207	182			
Checkpoint Support	173	136			
EDS/ETD Purchase	141	181			
EDS/ETD Installation	138	259			
EDS/ETD Maintenance and Utilities	222	264			
Operation Integration	23	25			
Regulation and Other Enforcement	218	224			
Airport Management, IT, and Support	666	656			
FFDO & Crew Training	25	25			
Air Cargo Security	55	56			
Airport Perimeter Security	—	—			
Foreign and Domestic Repair Stations	—	—			

Budget Activity	FY2007 Total	FY2008 Request	FY2007 House	FY2007 Senate	FY2007 Enacted
Aviation Security Capital Fund	250	—			
Federal Air Marshal Service (FAMS)	714	722			
Management and Administration	628	644			
Travel and Training	86	78			
Air-To-Ground Communication	—	—			
Threat Assessment and Credentialing	40	78			
Secure Flight	15	53			
Crew Vetting	15	15			
Other/ TTAC Admin. & Ops.	10	10			
TWIC Appropriation	—	—			
Credentialing Fees	29	81			
Registered Traveler Program Fees	3	35			
TWIC Fees	10	27			
HAZMAT Commercial Driver Fees	16	19			
Surface Transportation Security	36	41			
Operations and Staffing	24	24			
Rail Security Inspectors and Canines	13	17			
HAZMAT Truck Tracking and Training	—	—			
Transportation Security Support	525	525			
Intelligence	21	21			
Headquarters Administration	294	294			
Information Technology	210	209			
Research and Development ^a	—	—			
TSA Total:	6,327	6,399			

Source: CRS analysis of the *FY2008 President's Budget*, *DHS Budget in Brief*, and *TSA FY2008 Congressional Justification* documents.

Notes: Subtotals do not sum to functional area totals and TSA total due to rounding. PC&B: Personnel Compensation and Benefits; EDS: Explosive Detection Systems; ETD: Explosive Trace Detection equipment; IT: Information Technology; FFDO: Federal Flight Deck Officer program; DCA: Washington Reagan National Airport; TWIC: Transportation Worker Identification Credential; HAZMAT: Hazardous Materials.

a. Transportation Security Research and Development was moved to the Science and Technology Directorate in FY2006.

TSA Issues for Congress. Identified issues for the TSA in the context of the FY2008 appropriations process center primarily on aviation security including screener workforce issues, screening technology, and air cargo security. Additionally, the planned nationwide roll-out of the TWIC program at seaports in FY2008 will likely also be an issue of considerable interest.

Screener Workforce Issues. In the past, the total number of full-time equivalent TSOs has been statutorily capped at 45,000 through specific appropriations language. A GAO assessment of the TSA's screener staffing allocation methodology among commercial passenger airports found that the TSA's underlying assumptions should be reassessed.⁵² In particular, the GAO found that many medium and smaller sized airports were staffed at levels either above or below the allocation specified by the staffing methodology. However, at small and medium sized airports, average peak-period passenger wait times in screening queues have consistently met the goal of 10 minutes or less. While the GAO found that all but one major (Category X) airport was staffed at levels consistent with the screener allocation methodology, the average passenger wait times at these airports (12.6 minutes in FY2006) exceeded the target of 10 minutes or less. Among other large airports (Category I), screener staffing was found to be in line with the staffing model at almost 80% of the airports, and average passenger wait times (10.4 minutes in FY2006) were found to be just slightly above the 10-minute target. Observations from these findings include the difficulty in predicting staffing needs at smaller and medium sized airports, where changes in air carrier flight schedules can have a more pronounced impact on screener staffing, and the possible need to more closely examine the persisting difficulties in achieving passenger wait time targets at large airports, particularly among the busiest airports in the country. While the President's FY2008 budget proposes to eliminate the 45,000 FTE cap for TSOs and add 955 additional screeners, this increase will support the new travel document screening initiative and is not expected to address staffing imbalances or passenger wait time issues. During the FY2008 appropriations debate, screener staffing needs to address these issues may be a topic of particular interest.

In addition to screener staffing, workers compensation continues to be a significant expense for the TSA, despite initiatives aimed at prevention and intervention strategies to reduce and mitigate workplace injuries. Anticipated costs of worker compensation claims account for \$59 million (about 2.3%) of the FY2008 Passenger & Baggage Screening (PC&B) amount. Thus, examining the effectiveness of the TSA's initiatives to address workplace injuries may be an issue of particular interest to appropriators.

A provision in the Implementing the 9/11 Commission Recommendations Act of 2007 (H.R. 1) would place TSA screeners under the same personnel management system as all other TSA employees, thereby extending to TSA screeners the right to collective bargaining. When the TSA was established in 2001, the Aviation and Transportation Security Act (ATSA, P.L. 107-71) gave the TSA Administrator

⁵² U.S. Government Accountability Office, *TSA's Staffing Allocation Model Is Useful for Allocating Staff among Airports, but Its Assumptions Should Be Systematically Reassessed*, GAO-07-299, February 2007.

discretion to implement an alternate personnel system for screeners, which has, to date, barred screeners from collective bargaining. TSA Administrator, Kip Hawley, has indicated that the direct cost to the TSA to set up a collective bargaining program for TSA screeners would be \$160 million.⁵³ If this measure is enacted, the anticipated additional cost could have a significant impact on the TSA's appropriations for airline passenger screening functions.

The President's FY2008 budget estimates fee collections of about \$35 million for the Registered Traveler program's continuation of its initial pilot phase at 10 to 20 airports, with the possibility of nationwide implementation sometime in FY2008 or later. Also, the TSA anticipates initial operational deployment of the long delayed Secure Flight program in the summer of 2008. Meanwhile, the TSA has indicated that it is culling the lists it currently provides to airlines for passenger prescreening to reduce false matches. While all of these initiatives could have an impact on reducing the burden on TSA screening resources, particularly resources dedicated to secondary screening of passengers, evaluating the impact of these initiatives may be an issue of particular interest to appropriators with regard to how they impact appropriations needs for screening resources.

Screening Technologies. Most of the currently deployed baggage explosives detection systems, deployed in the 2002 and 2003 time frame, have been in service for several years and are not as capable as newer, next generation (NextGen) equipment with regard to baggage throughput and explosives detection capability. The TSA is facing an ongoing challenge with regard to maintaining and extending the service life of existing equipment and phasing in replacement next generation systems. In 2006, the TSA developed a Electronic Baggage Screening Program (EBSP) Strategic Plan to optimize screening solutions at the 250 busiest airports with the goal of decreasing life cycle costs for baggage screening technologies. Faced with escalating maintenance costs for baggage screening systems, the effectiveness of this plan and its implementation may be an issue of particular interest for appropriators.

In addition to baggage screening technologies, the TSA is engaged in field testing a host of emerging passenger checkpoint screening technologies designed to improve throughput and address new and emerging security threats. Technologies that are currently being evaluated include advanced x-ray and automated explosives detection systems for carry-on bags; whole body imaging; explosive trace detection portal machines; cast and prosthetic device scanners; and bottled liquid scanners. The effectiveness of these various technologies and how they fit into the TSA's overall strategy for deploying passenger checkpoint technologies may be an issue of particular interest during the FY2008 DHS appropriations debate.

Air Cargo Security. At present, the TSA's air cargo security program consists of 325 FTE air cargo security inspectors responsible for ensuring compliance with security regulations throughout the air cargo supply chain. Further, security threat assessments of cargo workers in the cargo supply chain is administered as a fee

⁵³ Thomas Frank, "TSA Union Fight Threatens Anti-terror Bill", *USA Today*, February 28, 2007.

program (the indirect air cargo fee), and the TSA levies a \$28 charge per assessment. The air cargo security model is predicated on a risk-based system that relies heavily on the industry-wide known shipper program. In FY2008, the TSA anticipates deployment of an Air Cargo Risk Based Targeting (ACRBT) program that will build upon the known shipper program by including freight forwarder management information, a risk-based freight assessment system, and a certified shipper program. Implementation of this initiative may be an issue of particular interest for the appropriations debate.

A House-passed proposal in H.R. 1 would require the TSA to phase-in physical inspections of all cargo placed on passenger airplanes to reach 100% screening of such cargo by the end of FY2009. Under the proposal, 65% of all cargo placed on passenger airplanes would have to be inspected by the end of FY2008. It is unclear how such a mandate would specifically impact appropriations. This is because the bill language does not specifically indicate whether the screening would be a federal function or whether it would be carried out by the airlines as is currently the practice for those cargo items currently inspected. Critics of the proposal argue that the explosives detection technologies needed to meet such a mandate are not yet available. Thus, additional appropriations may be needed to accelerate technology development if this proposal is enacted.

TWIC Program Roll-Out. On January 25, 2007, TSA issued a final rule implementing the Transportation Worker Identification Credential (TWIC) program for seaport workers.⁵⁴ Beginning at the end of March 2007, the TWIC card will be phased in at the nation's seaports. Seaport workers will pay a fee of between \$107-\$159 to apply for a card which will be valid for five years. Vessel and port facility owners will have to provide card readers after a pilot program is conducted to test the best type of card reader to use. Anticipating full implementation of the TWIC program at U.S. seaports by FY2008, the President's budget expects fee collections to total roughly \$27 million in FY2008, compared to estimated collections of about \$10 million in FY2007. The TSA is also seeking comment on the use of a TWIC card in all modes of transportation. The scope of the program and its application to other transportation modes may be an issue of particular interest during the DHS FY2008 appropriations debate.

United States Coast Guard⁵⁵

The Coast Guard is the lead federal agency for the maritime component of homeland security. As such, it is the lead agency responsible for the security of U.S. ports, coastal and inland waterways, and territorial waters. The Coast Guard also performs missions that are not related to homeland security, such as maritime search and rescue, marine environmental protection, fisheries enforcement, and aids to navigation. The Coast Guard was transferred from the Department of Transportation to the DHS on March 1, 2003. The law that created the DHS (P.L. 107-296) directed

⁵⁴ See *Federal Register*, vol. 72, no. 16, pp. 3492-3604.

⁵⁵ Prepared by John Frittelli, Specialist in Transportation, Resources, Science and Industry Division.

that the Coast Guard be maintained as a distinct entity within the DHS and that the Commandant of the Coast Guard report directly to the Secretary of DHS.

President's FY2008 Request. For FY2008, the President requested a total of \$8,506 million in net budget authority for the Coast Guard, which is about a 2% increase over the FY2007 level. The President requested \$5,894 million for operating expenses (an increase of 6% over FY2007), \$998 million for acquisition, construction, and improvements (a decrease of 29% from FY2007), \$127 million for reserve training (an increase of 4% over FY2007), \$18 million for research, development, tests, and evaluation (an increase of 6% from FY2007), \$12 million for environmental compliance and restoration (an increase of 9% from FY2007), and zero funding for the bridge alteration program which the President proposes transferring to the Maritime Administration in the Department of Transportation. The President also requested \$223 million in FY2008 supplemental funding for the Coast Guard to support its operations in providing security for U.S. Navy vessels, facilities, and port operations in Iraq.⁵⁶ The following table provides more detail regarding the Coast Guard's Operating Expenses (OE) account and its Acquisition, Construction, and Improvements (ACI) account. Under the ACI account, the President proposes transferring the funding of the personnel that administer ACI contracts (\$81 million and 652 FTEs) to the OE account.

**Table 12. Coast Guard Operating (OE) and Acquisition (ACI)
Sub-account Detail**

(budget authority in millions of dollars)

Activity	FY2007 Total	FY2008 Request	FY2008 House	FY2008 Senate	FY2008 Enacted
Operating Expenses	5478	5894			
Military pay and allowances	2796	2959			
Civilian pay and benefits	571	631			
Training and recruiting	181	187			
Operating funds and unit level maintenance	1016	1138			
Centrally managed accounts	203	226			
Intermediate and depot level maintenance	711	754			
Acquisition, Construction, and Improvements	1409	998			
Vessels and Critical Infrastructure	27	9			
Aircraft	15	—			

⁵⁶ *The Budget for Fiscal Year 2008 — Appendix*, p. 1164.

Activity	FY2007 Total	FY2008 Request	FY2008 House	FY2008 Senate	FY2008 Enacted
Other Equipment	120	114			
Integrated Deepwater System	1145	837 ^a			
Shore facilities and Aids to Navigation	22	38			
Personnel and Related Support	81	1			

Source: *DHS FY2008 Budget Justification*, pp. CG-OE-4 and CG-AC&I-4.

- a. The *DHS FY2008 Budget Justification* requests \$788 million which reflects the cancellation of \$49 million from the FY2006 Appropriations (P.L. 109-90) for the Offshore Patrol Cutter, as stated in the FY2008 Budget Appendix, p. 469.

Issues for Congress. Increased duties in the maritime realm related to homeland security have added to the Coast Guard's obligations and increased the complexity of the issues it faces. Members of Congress have expressed concern with how the agency is operationally responding to these demands, including Coast Guard plans to replace many of its aging vessels and aircraft.

Deepwater. The Deepwater program is a \$24 billion, 25-year acquisition program to replace or modernize 91 cutters, 124 small surface craft, and 244 aircraft. For FY2008, the President requested \$837 million for the program. Issues for Congress include the Coast Guard's management of the program, which is the largest and most complex acquisition effort in Coast Guard history, the overall cost of the program, and the program's time-line for acquisition. These issues are discussed in CRS Report RL33753, *Coast Guard Deepwater Program: Background, Oversight Issues, and Options for Congress*, by Ronald O'Rourke.

Security Mission. Some Members of Congress have expressed strong concerns that the Coast Guard does not have enough resources to carry out its homeland security mission. About 22% of the Coast Guard's FY2008 budget request is for its "port, waterways, and coastal security" (PWCS) mission.⁵⁷ The DHS Inspector General reports that the resource hours devoted to the PWCS mission has increased by a factor of 13 compared to pre-9/11 levels and that in FY2005 (the most recent year data is available), the PWCS mission consumed almost as many resources as all of its non-homeland security missions combined.⁵⁸ For monitoring harbor traffic, the President's FY2008 request includes \$12 million to continue procurement

⁵⁷ *DHS Budget in Brief*, p. 52.

⁵⁸ DHS, Office of Inspector General, *Annual Review of Mission Performance: United States Coast Guard (FY2005)*, OIG-06-50, July 2006. "Resource hours" is measured by the number of flight hours (for aircraft) and underway hours (for vessels) dedicated to a specific mission. Because the marine safety and marine environmental protection missions are personnel intensive rather than asset intensive, these two missions are not included in the Inspector General's analysis.

plans and analysis for deployment of a nationwide system to identify, track, and communicate with vessels in U.S. harbors, called the Automatic Identification System (AIS). This system is currently operational in several major U.S. ports.⁵⁹ A GAO review of this system during an earlier stage of its development recommended that the Coast Guard partner with private and public organizations willing to develop AIS facilities on shore at their own expense, in order to reduce the cost and speed up development of AIS nationwide.⁶⁰

The President's budget proposes establishing a "Deployable Operations Group" (DOG) as a means of coordinating the Coast Guard's various specialized teams, namely the Maritime Security Response Team, Maritime Safety and Security Teams, Tactical Law Enforcement Teams, National Strike Force, and Port Security Units.⁶¹ The DOG is intended to facilitate cross-training and standardization of tactics, procedures, and equipment among these teams and enable the Coast Guard to improve its "all hazards ... all threats" response capability.⁶²

Non-homeland Security Missions. Some Members of Congress have expressed concern that with the Coast Guard's emphasis on its maritime security mission, the agency may have difficulty sustaining its traditional, non-homeland security missions, such as fisheries enforcement or marine environmental protection. The latest annual review of the Coast Guard's mission performance by the DHS Inspector General found that in FY2005 the Coast Guard's resource hours for its non-homeland security missions increased for the first time since September 11, 2001, due in large part to its response to Hurricane Katrina.⁶³ The IG reports that in FY2005, the Coast Guard's total non-homeland security resource hours were within 3% of pre-9/11 levels.

Rescue-21. During the FY2007 appropriations process, Congress expressed strong concern with the Coast Guard's management of the Rescue 21 program, the Coast Guard's new coastal zone communications network that is key to its search and rescue mission. Last fiscal year, Congress provided \$40 million to continue deployment of the new system, which began in 2002, and requested that the Coast Guard brief the Committees on Appropriations on a quarterly basis. A GAO audit of the program found a tripling of project cost from the original estimate, a likely further cost increase in the near future, and further delays in project completion,

⁵⁹ Coast Guard FY2008 Budget Justification, *Strategic Context*, p. CG-SC-7.

⁶⁰ GAO, *Maritime Security: Partnering Could Reduce Federal Costs and Facilitate Implementation of Automatic Vessel Identification System*, GAO-04-868, July 2004.

⁶¹ Coast Guard FY2008 Budget Justification, *Operating Expenses*, p. CG-OE-32.

⁶² For additional information on the Coast Guard's security mission, see CRS Report RS21125, *Homeland Security: Coast Guard Operations — Background and Issues for Congress*, by Ronald O'Rourke.

⁶³ DHS, Office of Inspector General, *Annual Review of Mission Performance: United States Coast Guard (FY2005)*, OIG-06-50, July 2006.

which is already five years behind schedule.⁶⁴ The President's FY2008 budget requests \$81 million for Rescue 21: for system installation at seven locations, infrastructure preparation at 12 locations, and full-rate production of the ground support system through design at ten locations.⁶⁵

LORAN-C. As in the FY2007 request, the FY2008 request proposes terminating the LORAN (Long-Range Aids to Navigation) -C system which helps boaters (including commercial fishermen) and pilots determine their location using radio signals. The Coast Guard has argued that this system is no longer needed in light of GPS (Global Positioning System) technology which is more precise than LORAN. In FY2007, Congress funded continuation of the LORAN-C system and required the Coast Guard, among other things, to first notify the public before terminating the system. On January 8, 2007, DHS and the Department of Transportation issued a Federal Register notice seeking public comment on whether to decommission LORAN, maintain it, or upgrade it.⁶⁶ Proponents of maintaining the ground-based LORAN system argue that it is valuable as a backup to the satellite-based GPS system. They argue that terrain can sometimes block the line of sight needed for GPS.

Bridge Alteration Program. The President's FY2008 request proposes transferring the Bridge Alteration Program (a program to alter or remove bridges that are obstructing navigation) from the Coast Guard to the Maritime Administration, which is housed in the Department of Transportation. Consistent with prior requests, the President requests no new funding for this program. In FY2007, Congress appropriated \$16 million.

U.S. Secret Service⁶⁷

The U.S. Secret Service (USSS) has two broad missions — criminal investigations and protection — both connected with homeland security (as well as other matters).⁶⁸ Criminal investigations encompass financial crimes, identity theft, counterfeiting, computer fraud, and computer-based attacks on the nation's financial, banking, and telecommunications infrastructure, among other areas. The protective mission is the most prominent, covering the President, Vice President, their families, and candidates for those offices, along with the White House and the Vice President's residence (through the Service's Uniformed Division). Protective duties

⁶⁴ GAO, *United States Coast Guard: Improvements Needed in Management and Oversight of Rescue System Acquisition*, GAO-06-623, May 2006.

⁶⁵ *DHS Budget-in-Brief*, p. 55.

⁶⁶ *Federal Register*, vol. 72, no. 4, January 8, 2007, pp. 796-797. Comments were due by February 7, 2007.

⁶⁷ Prepared by Shawn Reese, Analyst in National Government, Government and Finance Division.

⁶⁸ OMB, *Budget of the United States Government, Fiscal Year 2008, Appendix*, United States Secret Service, pp. 450 - 452; and *United States Secret Service, Fiscal Year 2008, Congressional Justification*.

extend to foreign missions in the District of Columbia and other designated individuals, such as the DHS Secretary and visiting foreign dignitaries. Separate from these specific mandated assignments, the Secret Service is responsible for National Special Security Events (NSSEs), which include the major party quadrennial national conventions as well as international conferences and events held in the United States. The NSSE designation by the President gives the Secret Service authority to organize and coordinate security arrangements; these involve various law enforcement units (along with the National Guard) from other federal agencies and state and local governments.

FY2008 Budget Request. For FY2008, the President's budget submission requested an appropriation of \$1,399 million for the protection and criminal investigation missions of the Secret Service.⁶⁹ This reflected an increase of \$120 million or nearly 9% over the FY2007 total of \$1,279 million for the Service. Specifically, the Administration requested the following amounts for

- protection of persons and facilities — \$697 million;
- protective intelligence activities — \$58 million;
- National Special Security Events (NSSE) — \$1 million;
- presidential candidate nominee protection — \$85 million;
- White House mail screening — \$27 million;
- management and administration — \$176 million;
- James Rowley Training Center — \$52 million;
- domestic field operations — \$220 million;
- international field operations — \$28 million;
- electronic crimes program — \$45 million;
- acquisition, construction, and improvements — \$4 million.⁷⁰

Title III: Preparedness and Response

Title III includes appropriations for the Preparedness Directorate and the Federal Emergency Management Agency (FEMA). The Preparedness Directorate includes (among others) appropriations accounts for the Undersecretary for Preparedness, State and Local Programs, Emergency Management Planning Grants (EMPG), the U.S. Fire Administration and Fire Assistance Grants, and Infrastructure Protection and Information Security (IPIS). **Table 13** provides account-level appropriations detail for Title III.

⁶⁹ OMB, *Budget of the US Government, Fiscal Year 2008*, p. 451.

⁷⁰ *Ibid.*, pp. 450-452.

Table 13. Title III: Preparedness and Response

(budget authority in millions of dollars)

Operational Component	FY2007 Appropriation				FY2008 Appropriation			
	FY2007 Enacted Total.	FY2007 Supp.	FY2007 Resc.	FY2007 Total	FY2008 Request	FY2008 House	FY2008 Senate	FY2008 Total
Preparedness Directorate								
— Management and Administration	31				—			
— State and Local Programs	2,531				—			
— Emergency Management Planning Grants	200				—			
— U.S. Fire Administration and Training	47				[43]			
— Firefighter Assistance Grants	662				—			
— Infrastructure Protection and Information Security	548				[538]			
— Radiological Emergency Preparedness	-6							
Net total	4,012				—			
National Protection & Programs Directorate								
— Administration	—				46			
— Infrastructure Protection and Information Security	[548]				538			
— US-VISIT	362				462			
Net total	—				1,047			
Office of Health Affairs	—				118			
Counter Terrorism Fund	— ^a				—			

Operational Component	FY2007 Appropriation				FY2008 Appropriation			
	FY2007 Enacted Total.	FY2007 Supp.	FY2007 Resc.	FY2007 Total	FY2008 Request	FY2008 House	FY2008 Senate	FY2008 Total
Federal Emergency Management Agency								
— Operations, Planning, and Support	—				668			
— Office of Grant Programs	—				2,196			
— U.S. Fire Administration	<i>[47]</i>				43			
— Administrative and regional operations	282				—			
— Readiness, mitigation, response & recovery	244				—			
— Public health programs	—				—			
— Disaster relief	1,487				1,700			
— Flood map modernization fund	199				195			
— National flood insurance fund (NFIF) ^b	—				—			
— National flood mitigation ^c	—				—			
— Pre-disaster mitigation fund	100				100			
— Emergency food and shelter	151				140			
— Disaster assistance direct loan account	1				1			
Net total	2,464				5,042			
Net budget authority subtotal: Title III	6,476				6,207			

Source: FY2008 DHS Congressional Budget Justification.

Notes: No FY2007 funding for Title III was designated as emergency spending. Totals may not add due to rounding. Amounts in parentheses are non-adds. Amounts in italics and brackets show what the FY2008 request would look like if it had followed the FY2007 DHS account structure. For a more detailed analysis of the supplemental appropriations, please refer to Appendix I.

a. *Does not* include a \$16 million rescission of unobligated balances per P.L. 109-295.

b. Funds derived from premium payments or transfers from the U.S. Treasury.

c. Funds derived from NFIF transfers.

Federal Emergency Management Agency (FEMA)⁷¹

In the aftermath of Hurricane Katrina, Congress passed the Post-Katrina Emergency Management Reform Act (Title VI of P.L. 109-295, the FY2007 appropriations legislation) to address shortcomings identified in the reports published by congressional committees and the White House. Based on those reports and oversight hearings on many aspects of FEMA's performance during the hurricane season of 2005, the post-Katrina Act expanded FEMA's responsibilities within the Department of Homeland Security as well as the agency's program authorities for preparing for and responding to major disaster events.⁷² The FY2008 appropriations request represents the Administration's first opportunity to establish priorities under the new legislative authority.

President's FY2008 Request. The President's FY2008 request of \$5,042 million for FEMA more than doubles the FY2007 enacted level of \$2,464 million. This dramatic increase reflects the intent of Congress, through the Post-Katrina Act, to increase FEMA's authority, move disaster preparedness programs back within FEMA from the DHS Preparedness Directorate, and ensure that resources and personnel are able to respond to catastrophes. The transfer of the majority of the preparedness grant programs to FEMA accounts for \$2,196 million of the increase. Another significant increase is in the Operations and Support section of FEMA's budget which would be increased by \$668 million to support the preparedness changes as well as other Post-Katrina Act measures. Other changes proposed by the Administration for FY2008 include the following:

- A \$4 million decrease in the Flood Map Modernization Fund from \$199 million in FY2007 to \$195 million in FY2008.
- FEMA's budget no longer includes funding for the National Disaster Medical System (NDMS), which was transferred to the Department of Health and Human Services pursuant to the Post-Katrina Act.⁷³ NDMS had been funded at \$34 million for several years, as the sole program in FEMA's "Public Health Programs" account.
- An \$11 million reduction in the Emergency Food and Shelter Program (Title III of the McKinney-Vento Homeless Assistance Act) from \$151 million to \$140 million.
- Decreased funding from \$47 million in FY2007 to \$43 million in FY2008 for the U.S. Fire Administration.

⁷¹ Prepared by Keith Bea, Specialist in American National Government and Fran McCarthy, Analyst in American National Government, Government and Finance Division.

⁷² For more information, see CRS Report, CRS Report RL33729, *Federal Emergency Management Policy Changes After Hurricane Katrina: A Summary of Statutory Provisions*, Keith Bea, Coordinator.

⁷³ See the legislative history for the 109th Congress in CRS Report RL33589, *The Pandemic and All-Hazards Preparedness Act (P.L. 109-417): Provisions and Changes to Preexisting Law*, by Sarah A. Lister and Frank Gottron.

FEMA Issues for Congress. The problematic response to Hurricane Katrina and the slow recovery from the storm (as well as Hurricanes Rita and Wilma) will likely be issues of concern for Members of the 110th Congress. Some of the specific issues that might be subjects of investigation include whether improvements have been made in logistical and administrative capacities, whether the agency is better prepared to respond to a catastrophic disaster comparable to or even more destructive than the 2005 hurricanes, among others.

Disaster Relief Fund. The Disaster Relief Fund (DRF) usually accounts for the great majority of FEMA's spending. It is the DRF which funds the assistance made available under the Robert T. Stafford Disaster Relief Act (P.L. 93-288).⁷⁴

Congress appropriates supplemental funding for the DRF when annual appropriations are not adequate for the DRF obligations needed to pay for recovery projects associated with disasters from previous years (notably the reconstruction of Gulf Coast states), current disaster activity for emergency response costs, and hazard mitigation efforts to reduce the impact of disasters in future years.⁷⁵ While funds for the Gulf Coast hurricane season of 2005 have been included in four supplemental appropriations statutes (P.L. 109-61, P.L. 109-62, P.L. 109-148, and P.L. 109-234), the President's request for the DRF in FY2008 also acknowledges the need for additional funds by requesting another FY2007 supplemental of \$3,400 million for the DRF.

The issue before Congress concerns the use of supplemental appropriations legislation to meet climbing costs of emergency assistance instead of requesting sufficient funds at the start of the process. For example, in FY2007 the Administration requested \$1,500 million initially for the DRF; supplemental requests added billions more. The request for FY2008 exceeds that for the previous fiscal year by \$200 million, to \$1,700 million. While this is a significant increase within the context of FEMA's budget, the actual amount is actually slightly below FEMA's historical average of DRF spending (excluding outliers such as Hurricane Katrina and the World Trade Center attacks). Congress might elect to examine whether the initial DRF request should be increased to meet the high costs of continuing to provide for the recovery of the Gulf Coast while providing funds for the response to the next disaster. On the other hand, concern with escalating federal costs and the deficit might lead some to argue that supplemental funding, requested and approved only when needed, is the most appropriate funding mechanism for emergency assistance.

Congress also may be concerned about accountability for DRF expenditures, in particular when relevant programmatic expertise resides in an agency other than FEMA. An example is the Crisis Counseling Assistance and Training Program (CCP), authorized by the Stafford Act, which provides professional counseling

⁷⁴ Additional information on the statutory and funding history of the DRF is presented in CRS Report RL33053, *Federal Stafford Act Disaster Assistance: Presidential Declarations, Eligible Activities, and Funding*, by Keith Bea.

⁷⁵ Historical information on supplemental appropriations is presented in CRS Report RL33226, *Emergency Supplemental Appropriations Legislation for Disaster Assistance: Summary Data FY 1989 to FY 2005*, by Justin Murray, and Keith Bea.

services to major disaster victims in order to relieve mental health problems. FEMA and the Substance Abuse and Mental Health Services Administration (SAMHSA) in the Department of Health and Human Services (HHS) share administrative duties for CCP. Though the program is funded through the DRF, it is not clear which agency bears primary or ultimate responsibility for the program, which has been associated with fiscal and programmatic challenges.⁷⁶

Post-Katrina Reform Act Measures. In addition to the significant resources needed for FEMA to administer Preparedness grants, there are many directions in the Post-Katrina Reform Act that, in seeking to improve the performance of FEMA, necessarily expand the Agency's coverage and areas of responsibility. Many of these changes carry potentially large costs depending on the frequency and scope of future disaster activity. However, they also hold the potential of vastly improved service to disaster victims and their communities. Some of the areas for potentially increased costs include the following.

- Federal contributions for the Hazard Mitigation Grant Program (HMGP) for approximately the past five years has been set at 7.5% of the total aid provided in a state after it receives a major disaster declaration. The post-Katrina Act modifies the HMGP provision to provide 15% (for disasters with total damages under \$2 billion), 10% (for disasters with damages between \$2 billion and \$10 billion), and 7.5% (for disasters between \$10 billion and \$35.3 billion).
- The Public Assistance (PA) program authority has been expanded in several ways that could result in increased federal disaster spending. First, the list of eligible applicants, previously defined by those that provided "essential services of a governmental nature to the general public," can now be expanded by the President. Also, under this 2006 amendment, services do not necessarily have to be available only to the general public. Second, the PA program statutory authority now includes some facilities that were previously identified in regulations. Third, education facilities can apply directly for Stafford Act assistance without first pursuing a Small Business Administration loan. Finally within the Public Assistance realm, the post-Katrina Act includes a Pilot Program for Public Assistance that seeks to provide incentives to state and local governments to be more involved in the PA work such as debris removal and repair projects. While one intent of the provision is to reduce costs, the incentives provided could result in an increase in the Federal cost share for participating areas as well as reimbursement for base wages for local hires employed by the state and local governments to accomplish this work.

⁷⁶ See CRS Report RL33738, *Gulf Coast Hurricanes: Addressing Survivors' Mental Health and Substance Abuse Treatment Needs*, by Ramya Sundararaman, Sarah A. Lister, and Erin D. Williams.

- Another area of accelerated FEMA involvement that could increase costs concerns expedited federal assistance. This may take the form of earlier, and greater, technical assistance provided to a state for precautionary evacuation measures as well as help with logistics and communications.
- There are several administrative and service improvement provisions in the Post-Katrina Act like to result in increased outreach and greater expenditures, including efforts to identify and assist the disabled and disaster victims with limited English proficiency, assist in the reunification of families following a disaster event, and provide increased transportation assistance to victims.
- The Post-Katrina Act authorizes case management to be an eligible cost. Given the importance of this service and the potential caseload that could require some of this assistance, higher costs will likely be associated with providing this new form of assistance to major disaster victims.

Office of Grants Programs⁷⁷

The Office of Grant Programs within FEMA is responsible for facilitating and coordinating DHS state and local programs. The office administers formula and discretionary grant programs to further state and local homeland security capabilities. As a result of the reorganization mandated by the Post-Katrina Reform Act (P.L. 109-295), the work of Grant Programs has been separated from training activities. FEMA's National Integration Center within the National Preparedness Directorate administers training, exercises, and technical assistance for states and localities.

President's Request. The FY2008 budget request proposes the following amounts for the Office of Grant Programs homeland security assistance programs:

- State Homeland Security Grant Program (SHSGP) — \$250 million;⁷⁸
- Urban Area Security Initiative (UASI) — \$800 million;⁷⁹
- Law Enforcement Terrorism Prevention Program (LETPP) — [\$263 million];⁸⁰
- Port Security Program — \$210 million;
- Transit Security Program — \$175 million;

⁷⁷ Prepared by Shawn Reese, Analyst in American National Government/Emergency Management, Government and Finance Division.

⁷⁸ Of the \$250 million requested for SHSGP, \$63 million is to be allocated for law enforcement terrorism prevention activities.

⁷⁹ Of the \$800 million requested for UASI, \$200 million is to be allocated for law enforcement terrorism prevention activities.

⁸⁰ This amount is included in the request for SHSGP of \$63 million and UASI of \$200 million.

- Intercity Bus Security Program — \$12 million;
- Trucking Industry Security Program — \$9 million;
- Buffer Zone Protection — \$50 million;
- Assistance to Firefighters (FIRE) — \$300 million;
- Emergency Management Performance Grant Program (EMPG) — \$200 million;
- Citizen Corps Program (CCP) — \$15 million;
- National Exercise Program — \$50 million;
- State and Local Training Program — \$95 million;
- Metropolitan Medical Response System — 0;⁸¹ and
- Technical Assistance and Evaluation — \$25 million.⁸²

Issues for Congress. As Congress considers appropriations, Members may wish to address potential policy issues that the Administration's FY2008 budget request raises. Some of the issues include the impact of the proposed overall reduction in grant appropriations, proposed changes to some of the grants' distribution methods, and the proposed reduction in FIRE appropriations. These issues are discussed below.

For SHSGP, UASI,⁸³ infrastructure security programs, FIRE, EMPG, and CCP, the Administration proposes approximately \$2,021 million for state and local homeland security assistance programs — \$985 million less than Congress appropriated for these programs in FY2007 (P.L. 109-295). The reduction in overall funding arguably reflects the Administration's assessment of the nation's homeland security needs. Some, notably the members of the 9/11 Commission, have commented in the past that counterterrorism, law enforcement, and hazard prevention funding patterns historically have been inadequate and inappropriate. Such critics might argue that the proposal for reduced funding would continue to result in deficient financial support in light of the needs of localities.⁸⁴

Reduction in Funding for State and Local Assistance Programs.

One possible policy question concerns the requested reduction in DHS appropriations for state and local homeland security assistance programs. The Administration does not request funding for LETPP; instead it requests that nearly \$63 million of the \$250 million requested for SHSGP and \$200 million of the \$800 million requested for UASI be used for law enforcement terrorism prevention activities.⁸⁵ If funded as proposed, this shift could result in the availability of fewer funds for the states — \$188 million in FY2008 (versus \$525 million in FY2007) for SHSGP activities, and

⁸¹ The Administration has not requested an amount for MMRS since FY2004.

⁸² U.S. Office of Management and Budget, *Fiscal Year 2008 Budget of the United States Government*, Appendix, pp. 480-482.

⁸³ Both SHSGP and UASI include a portion of funding to be used for law enforcement terrorism prevention activities.

⁸⁴ National Commission on Terrorist Attacks Upon the United States, *The 9/11 Commission Report* (Washington: GPO, July 2004), p. 396.

⁸⁵ *Fiscal Year 2008 Budget of the United States Government*, Appendix, p. 480.

\$600 million (versus \$770 million in FY2007) for high threat urban areas seeking to fund UASI activities.

Distribution Methods for State and Local Assistance Programs.

Another potential policy issue is the proposed distribution methods DHS intends to use in allocating state and local homeland security assistance programs. The Administration requests that EMPG and CCP be the only state and local programs funded using Section 1014 of the USA PATRIOT Act (P.L. 107-56). This statute guarantees each state a minimum of 0.75% of total appropriations for domestic preparedness programs.⁸⁶ This continued use of a 0.75% guaranteed minimum arguably does not reflect the 9/11 Commission's recommendation to allocate all federal homeland security assistance based on risk and threat assessments. Additionally, the Administration proposes that SHSGP be a discretionary program, but guarantees each state a minimum of 0.25% of total appropriations.⁸⁷ Some could argue, that SHSGP would not be a discretionary program if there is a guaranteed minimum amount for states. For an in-depth description and analysis of H.R. 1 and S. 4 grant provisions, see CRS Report RL33859, *Fiscal Year 2007 Homeland Security Grant Program, H.R. 1, and S. 4: Description and Analysis*, by Shawn Reese and Steven Maguire.

Reduction in Assistance to Firefighters Program. With regard to the proposed reduction in homeland security assistance, Congress might elect to evaluate the Administration's proposed reduction in Assistance to Firefighters program. The Administration requested an appropriation of \$300 million for fire grants in FY2008, a 45% reduction from the FY2007 level. No funding is requested for SAFER grants.⁸⁸ The total FY2008 request for firefighter assistance grants is 55% below the FY2007 level for the combined grants. As a result, the FY2008 budget proposal would eliminate grants for capacity building, notably wellness and fitness activities as well as modifications to facilities for firefighter safety. Instead, the budget justification requested funding for "applications that enhance the most critical capabilities of local response to fire-related hazards in the event of a terrorist attack or major disaster." Some may contend that the capacity building assistance efforts targeted previously will be minimized if specific objectives are replaced by broad program goals.

Office of Health Affairs⁸⁹

The Post-Katrina Act codified the position of Chief Medical Officer (CMO) within DHS.⁹⁰ The Administration budget request for FY2008 proposes the creation of a new Office of Health Affairs (OHA) within DHS, to be headed by the CMO,

⁸⁶ Ibid.

⁸⁷ Ibid.

⁸⁸ For more information see CRS Report RL33375, *Staffing for Adequate Fire and Emergency Response: The SAFER Grant Program*, and CRS Report RS21302, *Assistance to Firefighters Program*, both by Lennard G. Kruger.

⁸⁹ Prepared by Sarah A. Lister, Specialist in Public Health and Epidemiology, Domestic Social Policy Division.

⁹⁰ 6 U.S.C. § 321e.

who will report to the Secretary through the Deputy Secretary, and have the title of Assistant Secretary for Health Affairs and Chief Medical Officer. According to the *FY2008 DHS Congressional Budget Justification*,⁹¹ the OHA will consist of three main divisions: (1) Weapons of Mass Destruction (WMD) and Biodefense; (2) Medical Readiness; and (3) Component Services. The WMD and Biodefense Division will lead the department's biodefense activities, including the BioShield and BioWatch programs, which will be transferred from the Science and Technology Directorate (S&T), and the National Biosurveillance Integration System (NBIS), which will be transferred from the former Preparedness Directorate. The Medical Readiness division will oversee contingency planning, first responder readiness, WMD incident management support, medical readiness grant coordination, and assistance to the FEMA Administrator in emergency and disaster response. The Component Services division will oversee the department's occupational health and safety programs.

The Administration requests \$118 million for OHA for FY2008. This includes a funding increase of \$17 million, in addition to \$100 million for the following transfers:

- \$5 million from the former Preparedness Directorate, for the Office of the Chief Medical Officer;
- \$82 million from the S&T Directorate, for BioWatch Operations and the Biological Warning and Incident Characterization (BWIC) programs;
- \$3 million from the S&T Directorate, for the Rapidly Deployable Chemical Defense System (RDCDS);
- \$1 million from the S&T Directorate for personnel support for BioWatch, BWIC, and RDCDS;
- \$8 million from the former Preparedness Directorate for NBIS; and
- \$1 million from the former Preparedness Directorate for personnel support for NBIS.⁹²

National Protection and Programs Directorate⁹³

The National Protection and Programs (NPP) Directorate is a new directorate formed by the Secretary for Homeland Security in response to the Post-Katrina Emergency Management Reform Act of 2006. This act deconstructed the Preparedness Directorate by transferring preparedness activities and responsibilities back to a new reconstructed Federal Emergency Management Agency (FEMA). The act required the Office of Grants and Training (which runs the agency's Homeland Security Grants Program), the U.S. Fire Administration, the Chemical Stockpile Emergency Preparedness Division, the Radiological Emergency Preparedness Program, and the Office of the National Capital Region Coordination, be transferred

⁹¹ *FY2008 DHS Congressional Justification*, pp. OHA 2-3.

⁹² *Ibid.* Numbers do not add due to rounding.

⁹³ Prepared by John Moteff, Specialist in Science and Technology Policy, Resources, Science and Industry Division.

from the Preparedness Directorate to the new FEMA, as well. The remaining functions of the old Preparedness Directorate, primarily related to critical infrastructure protection, and grouped under the Infrastructure Protection and Information Security Program, were not transferred. The Secretary, under his own authority, transferred the Office of the Chief Medical Officer to a new Office of Health Affairs.

Additional elements were also added to the new NPP. The Post-Katrina Emergency Management Reform Act established the Office of Emergency Communications, combining within it a number of disparate programs from other parts of the department aimed at facilitating communications between first responders and policy makers during times of crisis. The act placed the Office of Emergency Communications under the Assistant Secretary for Cybersecurity and Communications, who now reports to the Under Secretary for National Protection and Programs. In addition, the Secretary, under his own authority, transferred the US-VISIT program to this new directorate. Also under his own authority, the Secretary established an Office of Intergovernmental Affairs to act as liaison between state and local officials and the Directorate, and elevated the Risk Management Division of the Office of Infrastructure Protection into a separate Office of Risk Management and Analysis, reporting directly to the proposed Under Secretary.

U.S. Visitor and Immigrant Status Indicator Technology (US-VISIT)⁹⁴

Until FY2006, US-VISIT was coordinated out of the Directorate of Border and Transportation Security (BTS). DHS Secretary Chertoff's second stage review, among other things, eliminated BTS and proposed placing US-VISIT within a new Screening Coordination Office (SCO) that would have combined a number of screening programs within DHS⁹⁵ and that would have reported directly to the Secretary. The appropriators did not provide funding for the SCO, however, and US-VISIT became a stand-alone office within Title II of the DHS appropriation in FY2006.⁹⁶ In FY2008, DHS is proposing to move US-VISIT into a new entity, the National Protection Programs Directorate (NPPD). In its Section 872 letter, DHS states that it is relocating US-VISIT to the NPPD "to support coordination for the program's protection mission and to strengthen DHS management oversight."⁹⁷

⁹⁴ Prepared by Blas Nuñez-Neto, Analyst in Domestic Security, Domestic Social Policy Division.

⁹⁵ Programs proposed for transfer to the Screening Coordination Office included the US Visitor and Immigrant Status Indicator Project (US-VISIT); Free and Secure Trade (FAST) and NEXUS/SENTRI, from CBP; and Secure Flight, Transportation Worker Identification Credential (TWIC), Registered Traveler, Hazardous Materials (HAZMAT) background checks, and the Alien Flight School background checks program from TSA

⁹⁶ H.Rept. 109-241.

⁹⁷ U.S. Department of Homeland Security, letter from Secretary Michael Chertoff to the Honorable Joseph I. Lieberman, Chairman, Committee on Homeland Security and Government Affairs, U.S. Senate, Washington, DC, January 18, 2007, p. 8.

President's Request. The Administration requested \$462 million for US-VISIT in FY2008, an increase of \$100 million over the FY2007 enacted level. Included in the Administration's request is an increase of \$146 million to convert the entry system to 10 fingerprint capability, and a decrease of \$31 million for pilot programs to test the exit component of the system.⁹⁸

Issues for Congress. There are a number of issues that Congress may face relating to the implementation of the US-VISIT system and its proposed transfer to the NPPD. These issues may include whether the Administration's decrease in funding for the exit component and focus on expanding the entry component of the system is appropriate, whether U.S. Visit should be placed administratively within the NPPD or whether there is some other configuration within DHS that is better suited to US-VISIT's mission, and whether the current POE infrastructure can support the added communication load that a 10 fingerprint system would likely require.

Administrative Placement Within NPPD. Some question whether the administrative placement of US-VISIT within the proposed NPPD is appropriate.⁹⁹ Most of the other DHS components that would comprise the NPPD focus on infrastructure protection and government-wide coordination and were previously located within the Office of Infrastructure Protection at DHS. While an argument could be made that US-VISIT supports the protection of critical infrastructure by preventing terrorists from entering the country, a counter-argument could be made that US-VISIT's primary role is immigration-related and relates to screening individuals as they enter the country. Some observers, including the GAO, have noted that the US-VISIT program would benefit from stronger management oversight, especially in light of the program's continuing inability to formulate a strategic plan.¹⁰⁰ However, there is some doubt concerning whether the NPPD would be the best fit within DHS for US-VISIT given the seeming disparity between US-VISIT and the other proposed components of the NPPD. A possible issue for Congress could include whether US-VISIT should be placed administratively within the NPPD or whether there are other administrative placements that would be more appropriate. Possible options, should Congress decide against placing US-VISIT within the NPPD, could include leaving US-VISIT as a stand-alone entity within DHS reporting directly to the Undersecretary, or placing it within CBP to bolster US-VISIT's immigration control aspects.

10 Fingerprint Entry Versus the Exit Component. In its FY2008 request, DHS appears to be moving toward implementing a 10 fingerprint entry component to the US-VISIT system rather than electing to implement the system's exit component. In congressional testimony, DHS acknowledged that it has stopped

⁹⁸ *DHS FY2008 Justification*, p. US-VISIT 3.

⁹⁹ For example, H.R. 1684, as amended during committee markup, would prohibit this transfer until DHS submits a plan for implementing the US-VISIT program's exit component at all ports of entry.

¹⁰⁰ *GAO Testimony, February 2007*, p. 19.

actively testing technologies associated with the exit component of the system,¹⁰¹ and the FY2008 request includes a reduction of \$31 million for exit pilot programs. Instead, DHS appears to be focusing on expanding the entry component of the system to include 10 fingerprint enrollment and interoperability with other federal government fingerprint databases. Possible issues for Congress may include whether these goals are mutually exclusive, and whether DHS should continue to work on the exit component of the system as it expands the entry component.

Infrastructure Protection and Information Security¹⁰²

Within DHS those activities that coordinate the national effort to identify the nation's most critical infrastructure assets and to prioritize risk reduction at those sites are located in the Infrastructure Protection and Information Security (IPIS) Program. For the most part, these activities were left in place following the reorganizations mentioned above. One notable exception was the transfer of the Biosurveillance sub-program to the new Office of Health Affairs. In addition, funding for the new Office of Emergency Communications falls within this program.

President's FY2008 Request. While many of the activities of the IPIS program were left in place, the President's request did make some changes that make it difficult to compare the FY2008 requested figures with the FY2007 enacted figures. In the FY2008 budget request, a number of IPIS sub-programs (Critical Infrastructure Outreach and Partnerships, Critical Infrastructure Identification and Evaluation, National Infrastructure Simulation and Analysis Center, and Protective Actions) were combined into a single sub-program called Infrastructure Protection. In addition, the President's request transferred certain expenses (such as facility rents and information technology support), previously paid for by each sub-program, to the NPP's Management and Administration account, while proposing that each sub-program pick up their own related salaries and benefits. Salaries and benefits were previously paid for in an IPIS Management and Administration sub-program. Tracking these transfers is beyond the scope of this document.

The President's budget identified 6 programmatic increases totaling approximately \$38 million. The largest of these is \$15 million to expand the Chemical Site Security Program to support development, implementation, and oversight of the new regulations being promulgated on selected sites that handle certain amounts of selected hazardous chemicals. The other relatively large increase is \$11 million to accelerate activities associated with the Department's Wireless Priority Service responsibility. The budget also identified 3 areas where program reductions were made, with \$30 million in various Infrastructure Protection sub-program activities being scaled back. These include, among others, reductions associated with the expected completion of Sector Specific Plans, deferral of some capabilities of the Automated Critical Asset Management System, reductions in the

¹⁰¹ U.S. Congress, Senate Committee on the Judiciary, Subcommittee on Terrorism, Technology, and Homeland Security, *US-VISIT: Challenges and Strategies for Securing the U.S. Border*, 110th Cong., 1st Sess., January 31, 2007.

¹⁰² Prepared by John Moteff, Specialist in Science and Technology Policy, Resources, Science and Industry Division.

Bomb Prevention Program and some Infrastructure Planning, Training and Exercise Programs. **Table 14** provides activity and program-level detail for IPIS.

Table 14. FY2008 Budget Activity for the Infrastructure Protection and Information Security Appropriation
(budget authority in millions of dollars)

Program/Project Activity	FY2007 Enacted	FY2008 Request	FY2008 House	FY2008 Senate	FY2008 Conf.
Management and Administration (M&A)	77	—			
Critical Infrastructure Outreach and Partnerships (CIOP)	101	—			
Critical Infrastructure Identification and Evaluation (CIIE)	69	—			
National Infrastructure Simulation and Analysis Center (NISAC)	25	—			
Biosurveillance (BIO)	8	—			
Protective Actions (PA)	32	—			
Infrastructure Protection	—	240			
Cyber Security (CS)	92	98			
National Security/Emergency Preparedness Telecommunications (NS/EP)	143	165			
Office of Emergency Communications	—	36			
Total	547	538			

Source: DHS FY2008 Congressional Justification: National Protection and Programs Directorate, Infrastructure Protection and Information Security. February 2008.

Note: Totals may not add due to rounding.

Issues for Congress. The consolidation of some of the IPIS sub-program elements may make some activities less visible and give the Secretary more discretion to transfer funds within the IPIS budget. Also, notwithstanding the increase in the funding request for the Chemical Site Security Program, there may be some concern whether this is sufficient for the amount of review that may be required to implement the new regulations.

Title IV: Research and Development, Training, Assessments, and Services

Title IV includes appropriations for U.S. Citizenship and Immigration Services (USCIS), the Federal Law Enforcement Training Center (FLETC), the Science and Technology Directorate (S&T), and the Domestic Nuclear Detection Office (DNDO). **Table 15** provides account-level details of Title IV appropriations.

Table 15. Title IV: Research and Development, Training, Assessments, and Services
(budget authority in millions of dollars)

Operational Component	FY2007 Appropriation				FY2008 Appropriation			
	FY2007 Enacted Total.	FY2007 Supp.	FY2007 Resc.	FY2007 Total	FY2008 Request	FY2008 House	FY2008 Senate	FY2008 Total
Citizenship and Immigration Services								
Direct Appropriation	1,986				2,569			
— Offsetting fees ^a	-1,804				-2,539			
Net subtotal	182				30			
Federal Law Enforcement Training Center	275				263			
Science and Technology								
— Management and Administration	135				143			
— Research, Development, Acquisition, and Operations	838				656			
Net Subtotal	973^b				799			
Domestic Nuclear Detection Office								
— Management and Administration	30				34			
— Research, Development, Acquisition, and Operations	273				320			
— Systems Acquisition	178				208			
Net Subtotal	481				562			
Gross budget authority: Title IV	3,715				4,193			
— Offsetting collections: Title IV	-1,804				-2,539			
Net budget authority: Title IV	1,911				1,654			

Source: FY2008 DHS Congressional Budget Justification. Totals may not add due to rounding.

Notes: Amounts in parentheses are non-adds.

a. Fees include Immigration Examination Fund; H-1b Visa Fee; and the Fraud Prevention and Detection fee.

b. *Does not* include a \$125 million rescission of unobligated balances per P.L. 109-295.

U.S. Citizenship and Immigration Services (USCIS)¹⁰³

There are three major activities that dominate the work of the U.S. Citizenship and Immigration Services (USCIS): the adjudication of immigration petitions (including nonimmigrant change of status petitions, relative petitions, employment-based petitions, work authorizations, and travel documents); the adjudication of naturalization petitions for legal permanent residents to become citizens; and the consideration of refugee and asylum claims, and related humanitarian and international concerns.¹⁰⁴ USCIS funds the processing and adjudication of immigrant, nonimmigrant, refugee, asylum, and citizenship benefits largely through monies generated by the Examinations Fee Account.¹⁰⁵ **Table 17** shows FY2007 appropriations and congressional actions in response to the FY2008 request.

President's FY2008 Request. USCIS is a fee driven agency. As part of the former Immigration and Naturalization Service (INS), USCIS was directed to transform its revenue structure with the creation of the Examinations Fee Account.¹⁰⁶ Although the agency has received direct appropriations in the last decade, these appropriations have been largely directed towards specific projects such as backlog reduction initiatives. The vast majority of the agency's revenues, however, come from the adjudication fees of immigration benefit applications and petitions. In the President's FY2008 budget request, the agency requested \$30 million in direct appropriations. The remaining \$2,539 million of the appropriations requested would be funded by revenues from collected fees.

As **Table 16** below shows, the requested USCIS budget for FY2008 is approximately \$2,569 million. This requested amount constitutes an increase of \$583 million or 29% over the enacted appropriation amount from FY2007. The requested direct appropriation of \$30 million would be designated for the Employer Eligibility Verification Program (EEV), while all other program and operations would be fee funded. Of the requested funds for FY2008, \$1,842 million, or roughly 77%, would fund the USCIS adjudication services. A plurality of these adjudication funds would go towards pay and expenses with an allocation of \$764 million, while district operating expenses would receive \$552 million and service center operating expenses would be allocated \$354 million, respectively. Business transformation

¹⁰³ Prepared by Chad C. Haddal, Analyst in Immigration Policy, Domestic Social Policy Division.

¹⁰⁴ CRS Report RL32235, *U.S. Immigration Policy on Permanent Admissions*, by Ruth Ellen Wasem.

¹⁰⁵ §286 of the Immigration and Nationality Act, 8 U.S.C. §1356.

¹⁰⁶ There are two other fee accounts at USCIS, known as the H-1B Nonimmigrant Petitioner Account and the Fraud Prevention and Detection Account. The revenues in these accounts are drawn from separate fees that are statutorily determined (P.L. 106-311 and P.L. 109-13, respectively). USCIS receives 5% of the H-1B Nonimmigrant Petitioner Account revenues and 33% of the Fraud Detection and Prevention Account revenues. In FY2006, the USCIS shares of revenues in these accounts were approximately \$13 million and \$16 million respectively, and these funds combined for roughly 3% of the USCIS budget (U.S. Department of Homeland Security, U.S. Citizenship and Immigration Services, *Fiscal Year 2008 Congressional Budget Justifications*).

initiatives for modernizing systems and improving agency information sharing and efficiency would receive \$139 million. The President's budget request also includes requested funding levels of \$162 million for information and customer services, \$375 million for administration, and \$21 million for the Systematic Alien Verification for Entitlements (SAVE) Program.

Table 16. USCIS Budget Account Detail
(budget authority in millions of dollars)

Program/Project Activity	FY2007 Enacted^a	FY2008 Request^b	FY2008 House	FY2008 Senate	FY2008 Enacted
Adjudication Services	1419	1842			
Pay & Benefits	625	764			
District Operating Expenses	385	552			
Service Center Operating Expenses	267	354			
Asylum/Refugee Operating Expenses	75	91			
Records Operating Expenses	67	81			
Information and Customer Services	144	162			
Administration	241	375			
Salaries and Expenses	182	190			
Business Transformation	47	139			
SAVE	21	21			
EEV	114	30			
Total USCIS Funding	1986	2569			

Source: H.Rept. 109-699; *DHS FY2008 Congressional Budget Justifications*.

- a. The amounts enacted in P.L. 109-295 are the \$182 million for salaries and expenses, including the \$47 million for strategic business transformation. The remaining figures for FY2007 are from the conference report.
- b. The FY2008 budget request includes a request for \$30 million for the EEV. All remaining funds would be reimbursed from fees.

Issues for Congress. The 110th Congress may face a number of issues relating to legal immigration and USCIS' role in the process. These issues may include whether the Administration's proposed fee increases for visa applicants should be implemented or whether there are alternatives to fee increases that could be considered, whether USCIS is effectively dealing with their adjudication backlog, and whether the proposed fee structure would provide sufficient funding to cover the elimination of the USCIS backlog.

Proposed Fee Increase. On February 1, 2007, USCIS proposed a new fee schedule for immigration adjudications and benefits. These fee adjustments would constitute the first fee revision since October 26, 2005, and would increase application fees by a weighted average of 96% for each benefit.¹⁰⁷ USCIS officials claim the fee increase is necessary to maintain proper service levels and to avoid the accumulation of backlogs.¹⁰⁸ Congressional reactions to these proposed fees have been strong and divergent. Some opponents of the fees have called for congressional action to prevent the new fees from being implemented. Although generally not opposed to the increased revenue for USCIS, the fee increase opponents want USCIS to implement a sliding scale fee structure or request direct appropriations to offset the benefit costs for lower income families.¹⁰⁹ Fee increase supporters contend that the proposed fee structure would help deter possible public charges from applying for immigration benefits. These fee proponents further contend that the immigration benefits these individuals receive are a “good deal” by world standards, even under the proposed fee structure.¹¹⁰

Adjudication Backlog. The fee increase has also raised issues and questions concerning the adjudications backlog that USCIS has worked towards reducing. USCIS Director Emilio T. Gonzalez has stated that the current backlog of applications for immigration benefits has been significantly reduced, and that the share of the backlog due to factors under the control of USCIS was approximately 65,000.¹¹¹ Critics continue to be concerned, however, about the more than 1 million additional applications that have been pending for more than six months that USCIS does not count in its backlog figures, and that the seriousness of the USCIS backlog is masked by changes in the agency’s backlog definition.¹¹² Since FY2002, Congress

¹⁰⁷ This weighted average does not include the increases to the biometric fee. When combined with the biometric fee, the weighted average application fee increase would be reduced to 86%. (U.S. Department of Homeland Security, “U.S. Citizenship and Immigration Services, Adjustment of the Immigration and Naturalization Benefit Application and Petition Fee Schedule; Proposed Rule,” *Federal Register*, vol. 72, no. 21 (February 1, 2007), p. 4888)

¹⁰⁸ *Ibid*, p. 4892.

¹⁰⁹ For example, in the House Chamber, Representatives Gutierrez and Shakowsky introduced H.R. 1379, which would prevent USCIS from increasing the citizenship application fees to levels above application processing costs.

¹¹⁰ U.S. Congress, House Committee on the Judiciary, Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law, *The Proposed Immigration Fee Increase*, 110th Cong., 1st sess., February 14, 2007

¹¹¹ *Ibid*.

¹¹² The DHS Inspector General has expressed concern that the changing backlog definitions “will not resolve the long-standing processing and IT problems that contributed to the backlog in the first place. (U.S. Department of Homeland Security, Office of the Inspector General, *USCIS Faces Challenges in Modernizing Information Technology*, OIG-05-41 (September 2005), p. 28) The USCIS Ombudsman also criticized the definition changes, saying that “these definitional changes hide the true problem and the need for change” (U.S. Department of Homeland Security, Citizenship and Immigration Service Ombudsman, *Annual Report 2006*, June 29, 2006, p. 9).

has appropriated \$574 million towards backlog reduction efforts at USCIS, including \$494 million in direct appropriations.

It has been the stated goal of President George W. Bush to reduce the application processing time for immigration to a six month standard.¹¹³ Some argue that in order for USCIS to be able to accomplish this goal, it needs a fee structure that more accurately reflects the cost of processing immigration benefit applications. USCIS claims that the proposed fees are more aligned with the agency's adjudication costs.¹¹⁴ Some additionally believe that the fee increases would be necessary in order for USCIS to handle any potential future increases in applications. Since USCIS is fee funded, any passage of comprehensive immigration reform legislation that includes either earned legalization or a temporary worker program would likely result in a significant increase in the number of incoming applications.

Federal Law Enforcement Training Center (FLETC)¹¹⁵

The Federal Law Enforcement Training Center provides training on all phases of law enforcement instruction, from firearms and high speed vehicle pursuit to legal case instruction and defendant interview techniques for 81 federal entities with law enforcement responsibilities, state and local law enforcement agencies, and international law enforcement agencies. Training policies, programs, and standards are developed by an interagency Board of Directors, and focus on providing training that develops the skills and knowledge needed to perform law enforcement functions safely, effectively, and professionally. FLETC maintains four training sites throughout the United States and has a workforce of more than 1,000 employees.

President's Request. The overall request for FLETC in FY2008 is \$263 million, a decrease of \$12 million from the FY2007 appropriation. The Administration is proposing the creation of a FLETC Fund to replace the Salaries and Expenses account within FLETC. For FY2008, the fund would be capitalized with \$220 million in a no year revolving fund that would allow for the development of a reimbursable cost module. The new fund would include funding for 1,077 positions including an increase of seven new instructors to support the Secure Border Initiative (SBI) at CBP. As part of SBI, FLETC estimates it will need to provide basic training for 4,350 USBP agents in order to add a net total of 3,000 agents to the USBP workforce.¹¹⁶

¹¹³ Remarks by the President at INS Naturalization Ceremony (July 10, 2001), at [<http://www.whitehouse.gov/news/releases/2001/07/20010710-1.html>], visited March 9, 2007.

¹¹⁴ U.S. Department of Homeland Security, "U.S. Citizenship and Immigration Services, Adjustment of the Immigration and Naturalization Benefit Application and Petition Fee Schedule; Proposed Rule," *Federal Register*, vol. 72, no. 21 (February 1, 2007), pp. 4893-4894.

¹¹⁵ Prepared by Blas Nuñez-Neto, Analyst in Domestic Security, Domestic Social Policy Division.

¹¹⁶ *DHS FY2008 Congressional Budget Justification*, pp. FLETC Fund 3-6.

Science and Technology (S&T)¹¹⁷

The Directorate of Science and Technology is the primary DHS organization for research and development. Headed by an Under Secretary for Science and Technology, it performs R&D in several laboratories of its own; funds R&D performed by universities, industry, the national laboratories, and other government agencies; and manages operational systems. See **Table 17** for details of the directorate's appropriation.

President's FY2008 Request. The Administration requested a total of \$799 million for S&T for FY2008. This was 18% less than the FY2007 appropriation, but about half of the proposed reduction was in operational programs that were transferred from S&T to other parts of the department (Biowatch and related programs from the Biological and Chemical program and Safecom from the Command, Control, and Interoperability program). A proposed \$41 million reduction in the Explosives program was due to the completion of efforts to develop a prototype for protecting commercial aircraft against shoulder-launched missiles. A proposed \$51 million reduction in the Infrastructure and Geophysical program was largely the result of reducing funding for local and regional initiatives previously established or funded at congressional direction.

Issues for Congress. During the FY2007 appropriations cycle, Congress and others were highly critical of the S&T Directorate's performance. Among the fundamental issues facing Congress are questions about the directorate's mission, its organization, its priorities and how they are set, its financial management, and the transparency of its operations. A reorganization in late 2006 aligned the directorate's management structure with the presentation of its budget (with a division director responsible for each italicized program in **Table 17**). The directorate's university centers of excellence are to be realigned to match the new organization, with new centers being established for some topics and other topics being merged. After several years of criticism for failing to spend funds that were appropriated, the directorate reports progress in more rapidly obligating its FY2007 funding.

Domestic Nuclear Detection Office¹¹⁸

The Domestic Nuclear Detection Office (DNDO) is the primary DHS organization for combating the threat of nuclear attack. It is responsible for all DHS nuclear detection research, development, testing, evaluation, acquisition, and operational support. See **Table 17** for details of the appropriation for DNDO.

President's FY2008 Request. The Administration requested a total of \$562 million for DNDO for FY2008. This was a 17% increase from the FY2007 appropriation. A proposed \$47 million increase in Research, Development, and

¹¹⁷ Prepared by Daniel Morgan, Analyst in Science & Technology, Resources, Science, and Industry Division.

¹¹⁸ Prepared by Daniel Morgan, Analyst in Science and Technology, Resources, Science, and Industry Division.

Operations would focus primarily on the Transformational R&D program, whose goal is to identify, develop, and demonstrate technologies that fill major gaps in the nuclear detection architecture. A proposed \$30 million increase in Systems Acquisition would go to begin implementation of the Securing the Cities initiative in the New York City area.

Issues for Congress. The DNDO was funded in the S&T account in FY2006, and before that year, nuclear and radiological R&D were the responsibility of the S&T Directorate. In the FY2007 appropriations cycle, the House committee report expressed dissatisfaction with the transfer of DNDO out of S&T and directed S&T to work with DNDO and support its R&D-related needs (H.Rept. 109-476). Meanwhile, the Senate committee report for FY2007 directed DNDO to work with S&T rather than start a duplicative university grant program (S.Rept. 109-273). With DNDO funding increasing and S&T funding decreasing, the relative roles of the two organizations remain an issue of congressional interest. Congressional attention has also focused on criticism of a cost-benefit analysis that DNDO conducted to support its decision to purchase and deploy next-generation Advanced Spectroscopic Portal technology for radiation portal monitors.¹¹⁹

Table 17. Research and Development Accounts and Activities, FY2007-FY2008

(budget authority in millions of dollars)

	FY2007 Enacted ^a	FY2008 Request	FY2008 House	FY2008 Senate	FY2008 Final
Science and Technology Directorate	973	799			
Management and Administration ^b	135	143			
R&D, Acquisition, and Operations	838	656			
<i>Borders and Maritime Security</i>	33	26			
<i>Chemical and Biological ^b</i>	314	229			
<i>Command, Control, and Interoperability ^c</i>	63	64			
<i>Explosives</i>	105	64			
<i>Human Factors</i>	7	13			
<i>Infrastructure and Geophysical</i>	75	24			
<i>Innovation</i>	38	60			
<i>Laboratory Facilities</i>	106	89			
<i>Test and Evaluation, Standards</i>	25	26			
<i>Transition</i>	24	25			

¹¹⁹ See, for example, Government Accountability Office, *Combating Nuclear Smuggling: DHS's Decision to Procure and Deploy the Next Generation of Radiation Detection Equipment Is Not Supported by Its Cost-Benefit Analysis*, GAO-07-581T, testimony before the House Committee on Homeland Security, March 14, 2007.

	FY2007 Enacted ^a	FY2008 Request	FY2008 House	FY2008 Senate	FY2008 Final
<i>University Programs</i>	49	39			
Domestic Nuclear Detection Office	481	562			
Management and Administration	30	34			
Research, Development, and Operations	273	320			
Systems Acquisition	178	208			
U.S. Coast Guard Research, Development, Testing, and Evaluation	17	18			
Subtotal DHS R&D:	1471	1379			
Rescission of unobligated funds from prior years	-125	—			
Total DHS R&D:	1346	1379			

Source: CRS analysis of the *FY2008 DHS Congressional Budget Justification*.

Notes: This table shows all DHS research and development activities, combining accounts from the Directorate of Science and Technology, the Domestic Nuclear Detection Office, and the U.S. Coast Guard to show the department's overall R&D budget. Totals may not add because of rounding.

- a. Programs in the S&T Directorate have been realigned since the enactment of the FY2007 appropriation. For comparability, FY2007 funding is shown here in the new structure.
- b. Biowatch and related programs will be transferred from the S&T Directorate to the Office of Health Affairs in FY2008. The enacted FY2007 funding for these programs in S&T consisted of \$1 million in the Management and Administration account plus \$84 million in the Chemical and Biological program of the R&D, Acquisition, and Operations account.
- c. Safecom will be transferred from the S&T Directorate to the National Protection and Programs Directorate in FY2008. Its enacted FY2007 funding in S&T was \$5 million in the Command, Control, and Interoperability program of the R&D, Acquisition, and Operations account.

FY2008 Related Legislation

Budget Resolution — H.Con.Res. 99/ S.Con.Res. 21

The annual concurrent resolution on the budget sets forth the congressional budget. The House introduced H.Con.Res. 99 on March 23, 2007 and passed the budget resolution on March 29, 2007. H.Con.Res. 99 would provide \$955 billion in discretionary budget authority for FY2008. The Senate introduced S.Con.Res. 21 on March 16, 2007 and passed the budget resolution on March 23, 2007. S.Con.Res. 21 would provide \$942 billion in discretionary budget authority for FY2008.

There is currently no separate functional category for Homeland Security in the budget resolution. However, homeland security budget authority amounts are identified within each major functional category, though these amounts are typically not available until the publication of the committee reports that accompany the budget resolutions.

Appendix I. FY2007 Supplemental Appropriations and Rescissions

H.R. 2206 - U.S. Troop Readiness, Veteran's Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007

Following the failure of the House to override the President's veto of H.R. 1591, the House introduced two new bills that would provide supplemental appropriations for FY2007 H.R. 2206, and H.R. 2207. Among other provisions, H.R. 2206 contains provisions that would provide supplemental funding for DHS agencies and accounts. DHS funding provisions in H.R. 2206 are identical to those provisions contained in the version of H.R. 1591 that was vetoed by the President on May 1, 2007.

Titles II, III, and IV of H.R. 2206 contain funding provisions pertaining to DHS accounts. H.R. 2206 would provide a total of \$6,851 million for DHS. Title II would provide a total of \$2,250 million as follows:

- Analysis and Operations — \$15 million;
- CBP Salaries and Expenses — \$110 million;
- CBP AMO Operations and Procurement — \$120 million;
- FLETC — \$5 million;
- ICE Salaries and Expenses — \$10 million;
- TSA Aviation Security — \$970 million;
- TSA Federal Air Marshals — \$8 million;
- Office of Health Affairs — \$15 million;
- NPPD IPIS — \$37 million;
- FEMA Management and Administration — \$25 million;
- FEMA State and Local Programs — \$553 million;
- FEMA Emergency Management Performance Grants — \$100 million;
- USCIS — \$10 million;
- S&T Research, Development, Acquisition, and Operations — \$10 million;
- DNDO Research, Development, and Operations — \$39 million; and
- DNDO Systems Acquisition — \$224 million.

Title III of H.R. 2206 would provide a total of \$4,610 million to DHS. Of this amount, \$4 million is for the DHS OIG and \$4,606 million is for FEMA disaster relief. Section 5401 of Title IV of H.R. 2206 would make up to \$30 million in unobligated USCG Retired Pay balances available until expended. Section 5404(a) of Title IV of H.R. 2206 would rescind funds from several different DHS accounts totaling approximately \$31 million. Section 5404(b) would have provide additional appropriations of \$30 million to the USCG Acquisition, Construction, and Improvements account, and \$1 million to the Office of the Under Secretary for Management.

H.R. 1591 - U.S. Troop Readiness, Veteran's Health, and Iraq Accountability Act¹²⁰

H.R. 1591 was introduced in the House on March 20, 2007, and was passed by the House on March 23, 2007. The Senate passed its version of H.R. 1591 on March 29, 2007. The conference agreement was passed by the House on April 25, 2007, and by the Senate on April 26, 2007. The President vetoed the bill on May 1, 2007. On May 2, 2007 the House failed to override the President's veto by a vote of 222-203. The following sections describe the amounts that would have been provided for DHS in the House-passed, Senate-passed, and conference versions of the bill.

House-Passed H.R. 1591. The House-passed version would have provided a total of \$6,710 million in supplemental funding for DHS in Title I, Title III, and Title IV of the bill. Title I provisions included the following amounts:

- Analysis and Operations — \$35 million;
- CBP Salaries and Expenses — \$100 million (transfer \$1 million to FLETC);
- CBP AMO Operations and Procurement — \$150 million;
- TSA Aviation Security — \$1,250 million;
- NPPD IPIS — \$25 million;
- FEMA Salaries and Expenses — \$25 million;
- FEMA State and Local Programs — \$415 million;
- DNDO Systems Acquisition — \$400 million.

Title II would have provided \$4,310 million for FEMA Disaster Relief, which included \$4 million to be transferred to the DHS Inspector General. Title IV included a provision that would have rescinded nearly \$90 million of unobligated balances that were appropriated by P.L. 109-90, the FY2006 DHS Appropriation.

Senate-Passed H.R. 1591. The Senate-passed version of H.R. 1591 would have provided a total of \$6,310 in supplemental funding for DHS in Title I, and Title II of the bill. Title I amounts included the following:

- CBP Salaries and Expenses — \$140 million;
- CBP AMO Operations and Procurement — \$75 million;
- ICE Salaries and Expenses — \$20 million;
- TSA Aviation Security — \$660 million;
- TSA Federal Air Marshals — \$15 million;
- Preparedness Chief Medical Officer — \$18 million;
- Preparedness IPIS — \$18 million;
- FEMA Administrative and Regional Operations — \$20 million;
- FEMA State and Local Programs — \$855 million;

¹²⁰ For more detailed information concerning H.R. 1591 see CRS Report RL33900, *FY2007 Supplemental Appropriations for Defense, Foreign Affairs, and Other Purposes*, by Stephen Daggett, Amy Belasco, Pat Towell, Susan B. Epstein, Connie Veillette, Curt Tarnoff, Rhoda Margesson, and Bart Elias.

- FEMA Emergency Management Performance Grants — \$100 million;
- USCIS — \$25 million;
- S&T Research, Development, Acquisition, and Operations — \$15 million; and
- DNDO Research Development and Operations — \$39 million.

Title II would have provided \$4,310 million for FEMA Disaster Relief.

Conference (H.Rept. 110-107). Titles I, II, and IV of the conference version of H.R. 1591 included funding provisions pertaining to DHS accounts. The conference version of H.R. 1591 would have provided a total of \$6,851 million for DHS. This amount was \$141 million more than was recommended by House-passed H.R. 1591, and \$541 million more than was recommended by Senate-passed H.R. 1591. Title I would have provided the following amounts:

- Analysis and Operations — \$15 million;
- CBP Salaries and Expenses — \$110 million;
- CBP AMO Operations and Procurement — \$120 million;
- FLETC — \$5 million;
- ICE Salaries and Expenses — \$10 million;
- TSA Aviation Security — \$970 million;
- TSA Federal Air Marshals — \$8 million;
- Office of Health Affairs — \$15 million;
- NPPD IPIS — \$37 million;
- FEMA Management and Administration — \$25 million;
- FEMA State and Local Programs — \$553 million;
- FEMA Emergency Management Performance Grants — \$100 million;
- USCIS — \$10 million;
- DNDO Research, Development, and Operations — \$39 million; and
- DNDO Systems Acquisition — \$224 million.

Title II of the conference adopted version of H.R. 1591 would have provided a total of \$4,610 million to DHS. Of this amount, \$4 million was for the DHS OIG and \$4,606 million was for FEMA disaster relief. Section 4404(a) of Title IV of the conference version of H.R. 1591 would have rescinded funds from several different DHS accounts totaling approximately \$31 million. Section 4404(b) would have provided additional appropriations of \$30 million to the USCG Acquisition, Construction, and Improvements account, and \$1 million to the Office of the Under Secretary for Management.

Appendix II. DHS Appropriations in Context

Federal-Wide Homeland Security Funding

Since the terrorist attacks of September 11, 2001, there has been an increasing interest in the levels of funding available for homeland security efforts. The Office of Management and Budget, as originally directed by the FY1998 National Defense Authorization Act, has published an annual report to Congress on combating terrorism. Beginning with the June 24, 2002 edition of this report, homeland security was included as a part of the analysis. In subsequent years, this homeland security funding analysis has become more refined, as distinctions (and account lines) between homeland and non-homeland security activities have become more precise. This means that while **Table 18** is presented in such a way as to allow year to year comparisons, they may in fact not be strictly comparable due to the increasing specificity of the analysis, as outlined above.

With regard to DHS funding, it is important to note that DHS funding does not comprise all federal spending on homeland security efforts. In fact, while the largest component of federal spending on homeland security is contained within DHS, the DHS homeland security request for FY2008 accounts for approximately 49% of total federal funding for homeland security. The Department of Defense comprises the next highest proportion at 29% of all federal spending on homeland security. The Department of Health and Human Services at 7.2%, the Department of Justice at 5.5% and the Department of Energy at 3.0% round out the top five agencies in spending on homeland security. These five agencies collectively account for nearly 94% of all federal spending on homeland security. It is also important to note that not all DHS funding is classified as pertaining to homeland security activities. The legacy agencies that became a part of DHS also conduct activities that are not homeland security related. Therefore, while the FY2008 request included total *homeland security* budget authority of \$29.7 billion for DHS, the requested *total gross budget authority* was \$43.0 billion. The same is true of the other agencies listed in the table.

**Table 18. Federal Homeland Security Funding by Agency,
FY2002-FY2008**

(budget authority in millions of dollars)

Department	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008 Req.	FY2008 as % of total
Department of Homeland Security (DHS)	17,380	23,063	22,923	24,549	26,571	28,689	29,667	48.6%
Department of Defense (DOD) ^a	16,126	15,413	15,595	17,188	17,510	16,538	17,461	28.6%
Department of Health and Human Services (HHS)	1,913	4,144	4,062	4,229	4,352	4,313	4,424	7.2%
Department of Justice (DOJ)	2,143	2,349	2,180	2,767	3,026	3,185	3,331	5.5%
Department of Energy (DOE)	1,220	1,408	1,364	1,562	1,702	1,697	1,834	3.0%
Department of State (DOS)	477	634	696	824	1,108	1,240	1,406	2.3%
Department of Agriculture (AG)	553	410	411	596	597	523	719	1.2%
Department of Transportation (DOT)	1,419	383	284	219	181	179	200	0.3%
National Science Foundation (NSF)	260	285	340	342	344	344	375	0.6%
Other Agencies	2,357	1,329	1,550	2,107	1,727	1,612	1,689	2.8%
Total Federal Budget Authority	43,848	49,418	49,405	54,383	57,118	58,319	61,105	100%

Source: CRS analysis of data contained in “Section 3. Homeland Security Funding Analysis,” and Appendix K of the Analytical Perspectives volume of the FY2008 President’s Budget (for FY2006- FY2008); Section 3. “Homeland Security Funding Analysis,” of Analytical Perspectives volume of the FY2006 President’s Budget (for FY2004); Section 3. “Homeland Security Funding Analysis,” of Analytical Perspectives volume of the FY2005 President’s Budget (for FY2003) and Office of Management and Budget, *2003 Report to Congress on Combating Terrorism*, Sept. 2003, p. 10; CRS analysis of FY2002-2006 re-estimates of DoD homeland security funding provided by OMB, March 17, 2005.

Notes: Totals may not add due to rounding. FY totals shown in this table include enacted supplemental funding. Year to year comparisons using particularly FY2002 may not be directly comparable, because as time has gone on agencies have been able to distinguish homeland security and non-homeland security activities with greater specificity.